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ABSTRACT

This report presents recommendations of a task force which examined ways to transform the Department of Education's Office of Student Financial Assistance (OSFA) into a performance-based organization designed to deliver better service at lower cost. Highlights of the more than 200 recommendations stress the need to provide service equal to the best in business, to collaborate with partners, and to organize and manage like the best in business. Following a summary chapter, individual chapters present recommendations for the following areas: (1) serving students as customers; (2) serving students through schools; (3) serving students through financial institutions; (4) empowering OSFA employees and contractors; and (5) needed policy, regulatory, and statutory changes. For each recommendation, information is provided on the current status and the needed actions. Supporting graphs and other insets document the main text. Appendices include a complete list of recommended actions, a review of the OSFA customer service task force process, and a list of acronyms. (DB)

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U.S. Department of Education
Office of Student Financial Assistance

HE

ED 432 191

A Report from the Customer Service Task Force

Reinventing Service

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Put America Through School

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U.S. Department of Education
Office of Student Financial Assistance

A Report from the
Customer Service Task Force

Reinventing Service

July 1, 1999

UNITED STATES DEPARTMENT OF EDUCATION

THE SECRETARY

June 1999

I am pleased to accept from the Office of Student Financial Assistance (OSFA) *A Report From The Customer Service Task Force: Reinventing Service*. I am pleased because this report is about government that listens to people and takes their concerns seriously. To compile this report, OSFA's Customer Service Task Force conducted over 200 public "listening" sessions and considered over 8,000 comments and suggestions. OSFA's approach to this project exemplifies what the Administration and I had hoped for when OSFA was formed as the nation's first Performance-Based Organization (PBO).

I am also pleased because this report includes important recommendations on how government can provide better service to customers and manage money more effectively. I look forward to OSFA's implementation of those operational recommendations that will make the delivery of student financial aid faster and easier, while simultaneously assuring appropriate safeguards to the system.

Reinventing Service also outlines recommendations that would require changes in law, regulation, or policy that govern the federal student financial aid programs. I am committed to a thorough review of these recommendations to determine which of them should be pursued by the Department of Education.

Of course, proposing to do things better takes nothing away from our significant accomplishments of the last several years. For the first time in history, every American who works hard to make the grade can go to college. Millions of Americans are realizing their educational goals with Federal grants and loans. The taxpayers are also being better served with new safeguards and tough enforcement against defaults on student loans and misuse of Federal financial aid.

In the next decade, many more Americans will be seeking a higher education and turning to the Department of Education for the financial aid they need to obtain it. We are committed to providing them with a student aid process that is a model of efficiency and customer service.

Yours sincerely,

Dick Riley

Richard W. Riley

UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF STUDENT FINANCIAL ASSISTANCE

July 1, 1999

To the Reader,

I am pleased to present to you *Reinventing Service*, the final report of the Office of Student Financial Assistance (OSFA) Customer Service Task Force. The recommendations in this report are solidly based on over 8,000 comments from OSFA's customers, partners, and employees – comments collected by the task force through the Internet and in 200 face-to-face "listening sessions" held across the country – comments describing what works well in the current system, and what doesn't. The report details our customers' and partners' ideas on how to transform OSFA into a Performance-Based Organization (PBO) and fulfill the mandate of Congress to improve service to students and cut the overall cost of financial assistance. Our job is to help put America through school, and this report will have us doing it equal to the best in business.

This is a framework for creating a new customer focus at OSFA. Some of our ideas involve operational improvement; I intend to get started on these right away. Others would require regulatory, legislative, or other policy changes and I have forwarded these ideas to the Secretary for his consideration. I will also draw on these ideas in my annual report to Congress, which the law requires that I prepare and submit to the Secretary and that must include recommendations for legislative and regulatory changes to improve service to students and their families, and to improve program efficiency and integrity.

The report complements our other major initiatives. Our System Modernization Blueprint, which will be finished in September, will dramatically improve service and efficiency. OSFA reorganization, endorsed by the task force and already underway, aligns our business processes to serve our three customer and partner segments: students (the customers), schools, and financial institutions (partners). Our new acquisition strategy will put our support contractors on a performance basis, just like we are. And the new Student Loan Ombudsman will make sure that customer complaints get resolved quickly and properly.

My thanks go to the 48 OSFA employees and contractors who constituted the Customer Service Task Force and who produced this outstanding report – and a special thanks to Stephen Blair, their coach. Thanks to the rest of OSFA's employees who did all of today's work so the task force had time to envision the future. You all have changed America's student financial assistance forever.

Sincerely,

Greg Woods

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Foreword

The Office of Student Financial Assistance (OSFA) Customer Service Task Force first met on February 17, 1999.

The U.S. Department of Education's (the Department's or ED's) legislative mandates include creating a Performance-Based Organization (PBO) dedicated to providing outstanding customer service while simplifying, integrating, and reducing the overall cost of administering the federal student financial assistance programs. To achieve these mandates, we had to understand what our customers (students) and our partners (schools and financial institutions) wanted and needed. "Listen, and be in the question," has been our mantra since our first meeting. Listening was the only way; we didn't assume anything.

The recommendations presented in this report are based upon the expressed wants and needs of our customers, partners, and employees.

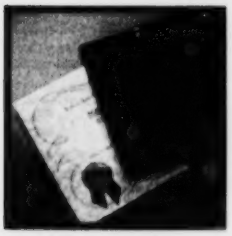
The recommendations presented in this report are based upon the expressed wants and needs of our customers (students), partners (schools and financial institutions), and employees. We conducted over 200 listening sessions across the country. We collected and analyzed more than 8,000 comments. These comments came from current and potential students, student borrowers, parents, high school counselors, and outreach organizations, including civic, church, and other mentoring groups. We also talked with postsecondary institutions, lenders, and loan guaranty, servicing, and collection agencies, as well as other stakeholders in federal student financial assistance programs. Finally, we talked with OSFA employees. In all cases, we asked three basic questions:

- What works?
- What doesn't work?
- What should we change?

Based on the feedback we received, we developed a set of bold and innovative recommendations. These recommenda-

tions are included in the report that follows. Most of these recommendations are operational, although others would require changes in statute, regulation, or Department policy. The task force has forwarded these latter recommendations to the Secretary for his consideration, consistent with OSFA's statutory responsibility to submit an annual report that identifies policy changes that would improve service to students and families and increase program efficiency and integrity. We present the recommendations by the following segments: students, schools, financial institutions, and OSFA employees.

We believe the recommendations in this report will support OSFA's transformation to service excellence, and are very excited about the challenges and opportunities that lie ahead. Many people have said that the concept of a PBO in government is long overdue. We agree. We are proud to be a part of the first.



SECTION I

Summary

Education beyond high school is practically a must for success in our economy. The Department of Education has helped millions of Americans get the schooling they need by awarding grants and making low-interest loans. In fact, for the first time in our history, every American who wants a higher education can afford one. Still, too many Americans give up on education because of money — they don't know that grants and loans exist.

The student aid delivery system is complicated. Grants and loans are delivered to students by thousands of school financial aid administrators who are regulated and monitored by the federal government. The administrators also arrange financial aid from state and private sources, assembling a total financial aid package for the student. Two-thirds of federal loans come from private lenders and are backed by state and national guaranty agencies, with the federal government as regulator and ultimate guarantor. The other third comes in the form of Federal Direct Loans. Overlaying the interactions of all the players is a complex variety of federal aid programs and eligibility requirements.

To reduce this complexity and cost of the aid delivery system, and to improve service to the students, Congress created a new kind of federal organization — *a Performance-Based Organization.* The PBO is free from much of government's red tape and is run by an experienced business executive directed to deliver better service and lower cost. The Secretary of Education immediately seized this opportunity and hired a chief operating officer who launched a Customer Service Task Force comprised of 48 frontline workers and managers, union representatives, and contract service providers to help transform the Office of Student Financial Assistance (OSFA) into a PBO.

To reduce the complexity and cost of the aid delivery system, and to improve service to the students, Congress created a new kind of federal organization — a Performance-Based Organization.

High Performing Organizations
Assume people will perform; seek to empower them
Are focused on a critical mission
Keep the customer happy
Performance is what matters
Environment that encourages learning; people take risks and learn from the results
People are different; fairness means treating people in a way which brings out their best
People are motivated through intrinsic rewards
Communication is two-way, both vertical and horizontal
Excel and get a little bit better every day
Seek win-win solutions to differences; use interest-based bargaining
Create their own future
Customers have choice
Measure and control results

Figure 1

These are the guiding principles for the OSFA PBO transformation.

The task force opened a line of communication to the world through the Internet and made it easy for students, financial aid professionals, and the general public to get in touch with us, whether for information, help, or to just let us know how they feel about the way OSFA does business. The Customer Service Task Force also conducted over 200 face-to-face listening sessions around the country, collecting nearly 8,000 ideas about what works well and what doesn't. The task force recommendations respond to voices of students, school aid administrators, lenders and guarantors, and OSFA employees.

> *"The fact that OSFA has conducted all these listening sessions is incredible. That is something that we have never done."*
>
> *– John Hilton, task force member*

The task force also looked at OSFA's current efforts and found many successes that OSFA can build upon on the way to becoming a PBO: free applications and information on the web, performance-based contracts, proactive quality assurance programs, and experimental sites. In addition, OSFA is testing new ways within the law to meet statutory and regulatory goals, including Institutional Improvement Specialists and case managers to help schools and their students succeed.

These efforts are similar to the practices of America's best-run businesses. Disney, FedEx, American Express, all of the companies that come to mind as among the best at

serving their customers, make their living finding out exactly what their customers want and then delivering it. Why, Disney even knows that their average customer is only willing to carry a candy wrapper 23 feet before throwing it on the ground. So, you are never farther than that from a trash can in Disney World. The task force did the same kind of analysis with OSFA's customer segments. They went out and listened to what OSFA customers want and then came up with ways for OSFA to deliver services the way the American public expects from a Disney or FedEx.

This report contains over 200 recommendations that share a clear goal: to help put America through school — and to do it like the best in business, with first-rate service and financial management. The report is organized according to segments. The task force organized itself to work in the same way. It is the best way to stay in touch and be responsive to the changing needs of customers and partners — it is the way the best in business do things.

"The most powerful thing OSFA is learning from this experience is that we must listen to all of our customers. Listen not just to what they are saying, but to what they really want, and implement products and services to meet and exceed those needs."
– Joyce DeMoss
task force member

Highlights of the Actions

◆ *Provide service equal to the best in business*

- By September 2000, students will have toll-free, one-contact phone service, as well as 24x7 automated account information available.
- Even sooner, schools and our financial partners will be able to do it all with one call. By January 2000, every institution will have an account manager at OSFA, who will be part of a customer service team. These teams will have the resources to get questions answered and problems solved with one call.
- By early 2000, customers and partners alike will get PINs and on-line Internet access to accounts.
- By February 2000, students and parents will have access to a financial planner from the web that will help them weigh the cost and income potential of various career choices, and understand financing and payback options.

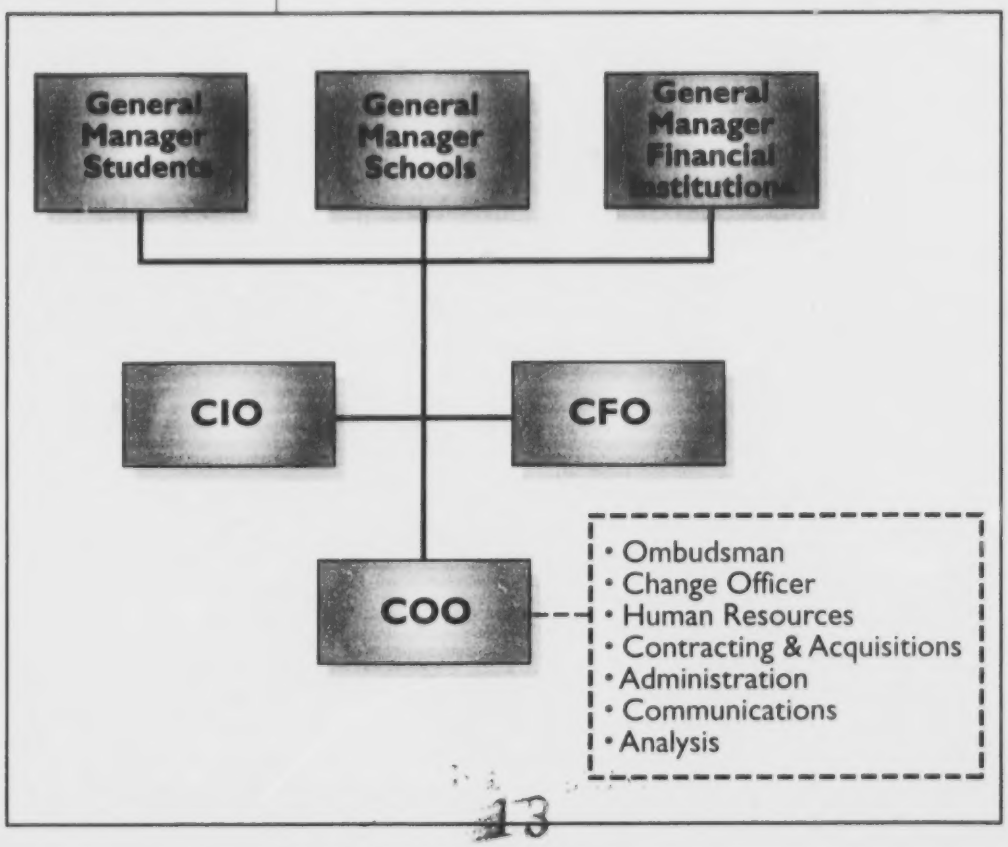
- By spring 2000, OSFA will simplify the electronic grant or loan eligibility renewal form (known as the Renewal FAFSA) to be like a pre-filled credit card application. If your income information hasn't changed — just sign and return it.

◆*Collaborate with partners*

- OSFA will help schools and financial partners meet tailored performance goals. This builds on pilot efforts in OSFA that have helped reduce default rates to the lowest in history, and on reinvention success in other regulatory agencies.
- Much of the student aid application form duplicates income tax forms. In time for the 1999 tax season, OSFA will work with tax software companies so that the tax software can help you apply for student aid, too.
- The combined complexities of federal programs, financial management, and information technology call for lots of well-organized training. By October

Figure 2

As a PBO, OSFA will organize by customer and partner segments.



1999, OSFA will launch a collaborative effort with our partners to create a corporate-model "University" to make the necessary training available for OSFA employees and our business partners.

◆ *Organize and manage like the best in business*

- By September 1999, OSFA will align its organization and business processes into channels to correspond with its customer and partner segments. This will help keep the channels of communication open to each of the segments so that we can continually tailor our services to fit their needs and they can continually evaluate our performance.
- Like FedEx, American Express, and other business leaders, OSFA will measure success with a balanced scorecard of customer satisfaction, employee satisfaction, and reduce unit costs of delivering aid to students.
- The best in business use complaints to good advantage. OSFA will copy best in business systematic methods of welcoming complaints so we can keep improving service. By statute, OSFA will have an ombudsman organization in action. This organization will be accountable for using the feedback to improve service.
- Finally, the Office of Student Financial Assistance needs a new name — one that preserves its best traditions of helping put America through school — but one that celebrates our new dedication to service, partnership, and financial responsibility.

"When the Customer Service Task Force began in February, our overall objective was to develop recommendations, that, if implemented, would forever change the way OSFA does business. Thanks to members of the task force for their dedication, hard work, and courage. You met this objective."
– Dr. Joe McCormick task force member

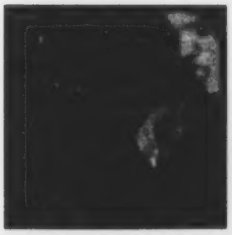
"When you are inspired by some great
purpose, some extraordinary project,
all your thoughts break their bonds:
Your mind transcends limitations,
Your consciousness expands in every direction,
and you find yourself in a new, great
and wonderful world.
Dormant forces, faculties and talents
become alive, and you discover yourself
to be a greater person by far
than you ever dreamed
yourself to be."

— Patanjali

"I have had the privilege to see Patanjali's words come to life with the 48 diverse souls that made up the Customer Service Task Force. Their courage and incredible commitment to the people of this country confirms the honor, dignity, and contributions that are made by committed people 'in service to the public'."

– Stephen J. Blair
Coach, Customer Service Task Force

Sections II – VI tell you how OSFA will become a PBO. Throughout the sections you will notice reference numbers. These refer to the detailed recommendations in Appendix A.



SECTION II

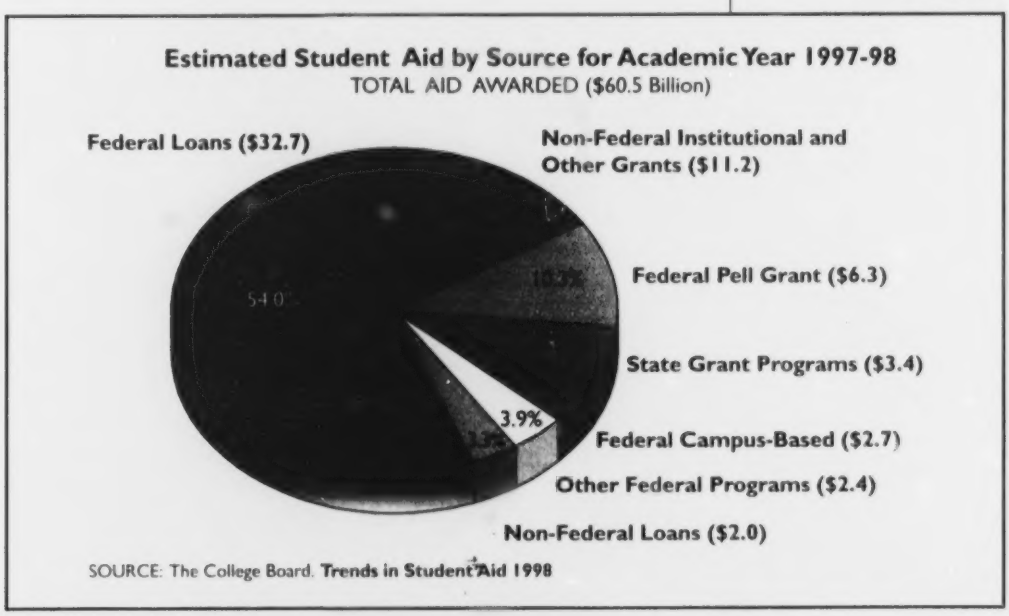
Serving Students as Customers

Background

Nowadays, everyone is a potential student, so, virtually everyone needs to know about financial aid and how to get it. But many Americans don't know. They know how to get a credit card or buy a car, but not how to finance their education. Some never get any information on federal education grants and loans because they don't know where to go for the information. Some don't get it in a language they understand, and some get the information but are confused by it. True, nine million Americans do manage to get federal aid each year. But every potential student who gives up on education because of lack of access to information about financial aid is an opportunity for us to do better. The best in business get their message across to potential customers by tailoring the message and the medium to specific customer segments.

Figure 3

OSFA administers programs that help nine million Americans each year.


Estimated Student Aid by Source for Academic Year 1997-98
TOTAL AID AWARDED ($60.5 Billion)
Federal Loans ($32.7)
Non-Federal Institutional and Other Grants ($11.2)
Federal Pell Grant ($6.3)
State Grant Programs ($3.4)
3.9%
Federal Campus-Based ($2.7)
Other Federal Programs ($2.4)
Non-Federal Loans ($2.0)
SOURCE: The College Board. Trends in Student Aid 1998

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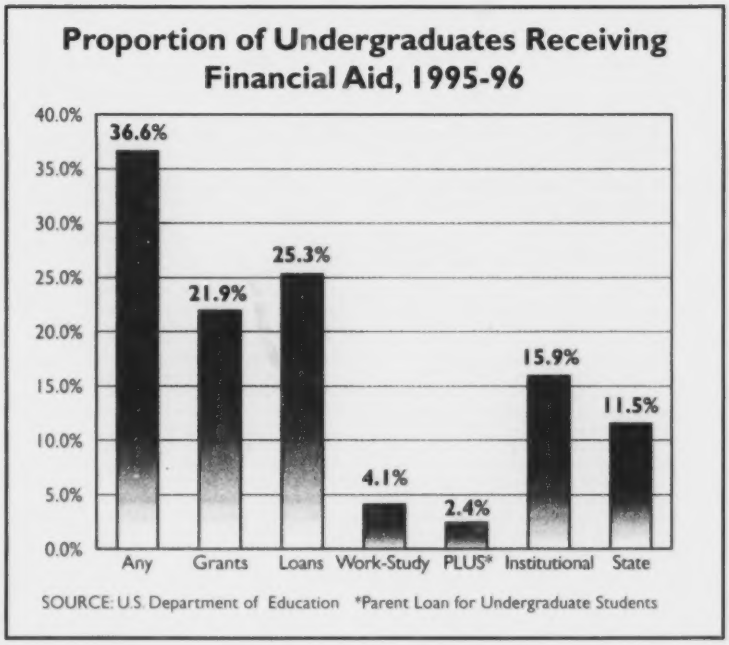


Figure 4

This figure shows how undergraduates get help to go to school.

The best in private industry make things easy for their customers more and more through technology. Buy everything from socks to stocks right at home on the Internet. Do your banking anytime, night or day. Pay at the pump with a credit card, get a discount for debit or cash. Got a question, problem, or complaint for VISA? Call toll-free, any time, any day — question answered, problem solved, complaint recorded and fed into a system that improves quality.

The best in private industry make things easy for their customers through technology.

That's what Americans know can be done. That's what they've come to expect, not only from private industry, but from government as well. That's the standard of customer service we have to meet.

◆ *Get the information out*

Status

Too many potential students don't know about the availability of financial aid or even where to get the information that might help them understand that financial aid is a real possibility for them. Many potential students are prevented from obtaining postsecondary education by several key myths. Figure five lists some of these key myths and the Office of Student Financial Assistance's (OSFA's) messages that counter these myths.

Myth	OSFA's Message
"I am not eligible for financial aid."	Financial assistance does not just mean grants; lots of aid is available in the form of subsidized/unsubsidized loans.
"I am going to be in debt for the rest of my life."	Loans represent educational investments that help people achieve higher lifetime earnings that, in turn, enable the student to pay back the debt expeditiously.
"Applying for aid is too complicated and too dangerous in terms of data security."	You can apply via the Internet using privacy measures that protect your information.
"I am not college material."	Postsecondary learning is more than just college; it includes skills training that is available at a wide variety of institutions.

Figure 5

Outreach efforts will help to shatter the myths about getting student aid.

Actions

OSFA must be proactive in spreading these positive messages to potential students to better inform them of the reality of postsecondary learning and its financial circumstances. Information dissemination needs to begin at the middle and junior high school level as well as the high school level. More and more parents need and want financial aid information much earlier in order to plan and save for school. Parents believe that they should start saving as early as possible and begin to learn about the different financial aid programs no later than junior high school.

OSFA should take full advantage of the World Wide Web, linking our financial aid site to related sites other organizations have created. Several web sites have free financial planning software that students and parents can download and use to weigh the education cost and potential income of various career choices, and to understand financing and payback options *(STU001, STU002, STU008, STU009, STU052)*.

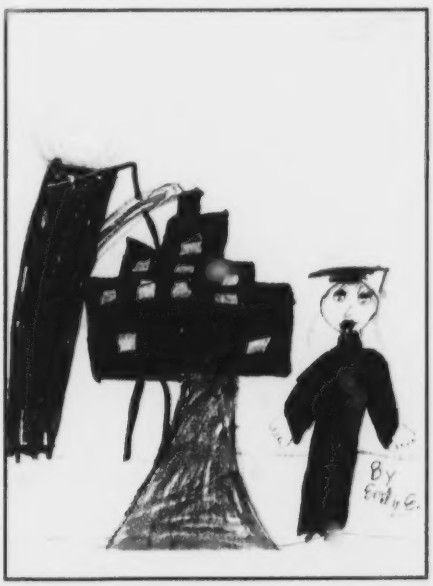


Figure 6

OSFA wants to promote early awareness in students like seven-year old Emily Eckman from the Bronx.

But hoping people will find the information on the

Internet is not nearly enough. We need to use effective partnerships with organizations and groups — some that have never associated with OSFA or even the Department of Education (the Department or ED) — to help carry the message. OSFA should partner with local, state and federal agencies, non-profit, community, and national organizations to begin a teaching network of those who can help increase aid awareness *(STU004)*. OSFA should sponsor an annual workshop to promote outreach partnership and activities such as application assistance *(STU016)*. OSFA will partner with the financial aid community to organize a "speakers bureau" of financial aid professionals to speak at middle and high school events, PTA meetings, career days, and conferences. OSFA should also collaborate with organizations that deal with students with special needs *(STU011, STU013, STU014)*. Federal programs like TRIO and GEAR-UP, as well as state agencies like the Pennsylvania Higher Education Assistance Agency (PHEAA), are already reaching out to make sure elementary and secondary school kids learn about post-secondary financial aid. OSFA will step-up our outreach efforts through these and other organizations *(STU018)*.

"Young people need to be educated about career options and financial aid by the time they are juniors in high school."
– Robert Gelfand task force member

Having a powerful message and useful information is only half the battle. OSFA must deliver these through non-traditional mechanisms that are effective in reaching potential students. Information on financial aid needs to be available at the places potential students typically gather. The message also needs to be delivered in the medium that best communicates with potential student populations, whether by television, sports figures, or rock stars. OSFA needs to partner with the various media organizations to target specific populations, as well as communicating a public service message that federal financial aid is available *(STU005)*.

But the word has to be understandable, too. OSFA should use plain language in all of its new pamphlets and toll-free telephone information lines and test the publications and information for clarity and acceptance before distributing *(STU007)*. And OSFA should tailor the information and the way it is distributed for particular customer segments, such as home-schooled, disabled, or individuals with limited English proficiency *(STU010, STU012, STU015)*.

PHEAA'S COMMUNITY OUTREACH ACTIVITIES

The six regional offices of the Pennsylvania Higher Education Assistance Agency (PHEAA) use a variety of activities and services to provide outreach to disadvantaged students:

- **Early Awareness Initiative** uses game-style software and activity brochures to teach middle school students and parents the value of postsecondary education and financing options.
- **Partners in Access to Higher Education Program** provides matching funds to non-profit community organizations that raise funds for mentoring services and need-based grants.
- PHEAA develops and distributes software for high school counselors to estimate financial aid eligibility, and distributes career guidance software to participating high schools.
- PHEAA holds training events every year, including workshops for new Financial Aid Administrators, technology training workshops, and support staff workshops.

Figure 7

OSFA will use PHEAA's community outreach activities as a model.

◆ *Make Applying Easy*

Status

Applying for aid is complicated and the applicant is kept in suspense about the status of his or her eligibility for financial aid. The *Free Application for Federal Student Aid* (FAFSA), which the vast majority still use, runs to eight pages and largely duplicates income tax form information. OSFA has an award-winning on-line application, FAFSA on the Web, that is easier to fill out and much cheaper to process. But some people have trouble getting access to it, and web applicants still have to mail paper with their pen-and-ink signatures. After the application comes in, weeks go by before we mail out an approval form called the *Student Aid Report* (SAR). And when the SAR does come in, many applicants don't understand what it says or what the next step in the financial aid process is for them. Also, if their application couldn't be processed due to errors, the correction process is often difficult and slow, and often holds up the financial aid award process.

Applying for aid is complicated and the applicant is kept in suspense about the status of his or her eligibility for financial aid.

Changing all of this is really just a matter of wanting to change. For example, the Small Business Administration reduced its two-inch thick loan application that took months to process, to a one-page form with a three-day turn around.

Changing all of this is really just a matter of wanting to change.

Actions

OSFA should continue to make the application form plain and simple, and test it on students and parents to make sure that it's clear, easy to follow, and meets their needs *(STU024, STU029, STU030, STU032, STU033)*. The OSFA toll-free help number on the application needs to be easy to find, with clear instructions on using the number *(STU031)*. OSFA should make sure that help on filling out the application, whether it's the paper or electronic version, is easy to get. OSFA should organize "volunteers" to help people apply for aid and develop workshops for training "volunteers" on the application process *(STU017)*. Make the electronic annual renewal application even simpler. We'll pre-fill the information and if your income information is still current, just sign on the line *(STU023)*.

Getting more people to apply *electronically* is the key to big savings for OSFA — to the tune of two to three dollars per application. A greater number of U.S. households are getting personal computers. OSFA can leverage this trend by promoting electronic application. We recently removed one roadblock on the information highway by immediately accepting any new web browser.

Partner with colleges to build software that transfers admissions data into FAFSA on the Web the way Cal State and schools in New York are doing with commercial software *(STU021)*. Issue PINs so applicants can securely read and correct their data on-line *(STU022)*.

Applicants want to know when OSFA receives their financial aid applications and want to know when processing is complete. OSFA should notify all applicants of receipt of their applications and let applicants know the expected timeframe when processing will be completed *(STU025)*. Once processing has been completed, OSFA

Figure 8

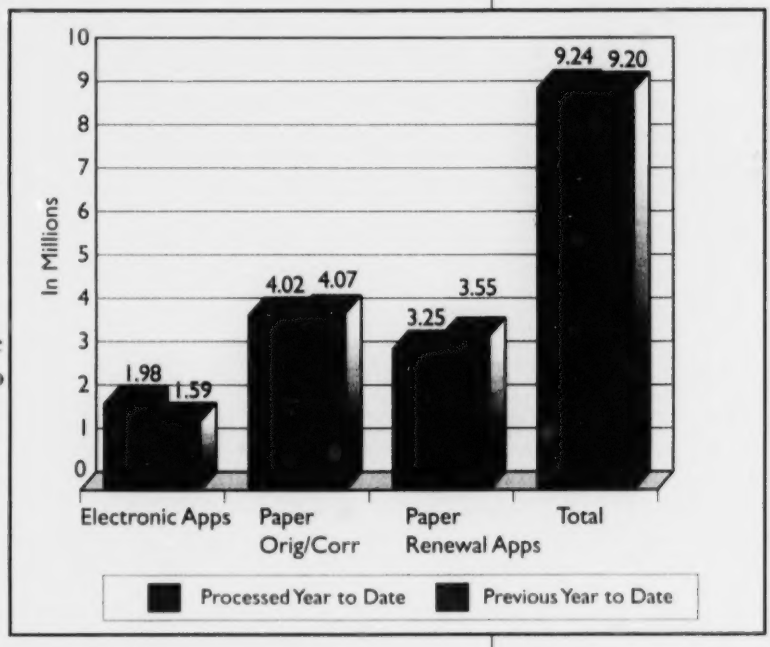
VA tests all new form letters with its customer veterans.

Testing new products can save a lot of trouble. The Department of Veterans Affairs tests all of its new form letters with veterans. One letter said the VA would be issuing a replacement check for a check that hadn't been cashed. Veterans said the first thing they'd do is call to find out when the check was coming, so, VA added a sentence saying when to expect the check and kept their phones from ringing off the hook.

should replace the SAR with a letter in plain language that either congratulates the applicant for successfully completing the application or provides clear instructions on how to correct any errors. The letter should clearly state whether the applicant has qualified for student financial aid and should include information on the next steps in the process *(STU027, STU028)*. The letter should also reflect the information the student provided to ensure that it was correctly captured and reinforce the role of taxpayer dollars in student aid.

Figure 9

Electronic FAFSAs represent two percent of the total of all applications.



◆ *Make Questioning and Complaining Easy*

Status

OSFA has a pretty good toll-free service for applicants: 1-800-4-FED-AID. But if you've set aside a Saturday morning to fill out the forms and you call for help finding your school's "Title IV institutional code," a pleasant, recorded voice tells you to call back Monday during business hours. If you have already sent in the forms and are wondering why you haven't heard anything, there's a toll number that on weekends, rings a while, then goes dead. And if you've been getting Direct Loans and FFEL loans, and want to find out what they all add up to, good luck. The same goes for people who've paid off their loans, but the system says they haven't. Where can they go to complain?

Northeast	35.3%
Midwest	36.5%
South	33.4%
West	43.4%

Source: National Telecommunications and Information Administration

Figure 10

This figure represents the percent of U.S. households with a computer by region.

Everybody knows it's a different story with the best in business. If a drugstore clerk accidentally demagnetizes

your credit card on a Sunday night, you can call as soon as you get home, talk to a live person who has immediate access to your account information and ships you a new card the next day. If you call in the middle of the night to dispute a billing error, they take care of that too, because the operators have all the information and authority they need to solve your problem. Most banks give you anytime access to all your accounts without an operator — on the phone, on line, or at the corner ATM. And, top companies, ones that win the International Customer Service Association (ICSA) Award of Excellence, have enterprise-wide systems to capture customer complaints. They use the complaints to improve service, and they measure everyone's performance in handling complaints.

Top companies, ones that win the International Customer Service Association (ICSA) Award of Excellence, have enterprise-wide systems to capture customer complaints. They use the complaints to improve service, and they measure everyone's performance in handling complaints.

Actions

To equal the best industry standards, OSFA should establish one toll-free number for student customer service that is staffed with phone operators who have the latest technology and access to the information students may need in whatever format they may need *(STU036, STU037, STU038, STU039, EMP020, EMP021)*. Like bank-by-phone service, this number will provide automated account access 24 hours a day, 7 days a week *(STU051)*. Account access should also be available over the web, and the account should include all loans, FFEL or Direct as well as all of the necessary forms *(PAR038, PAR039)*. Get "volunteers" from the community to help potential students apply for aid *(STU017, PAR040)*. OSFA should develop other novel information services, such as an on-line chat room with financial aid experts to answer questions *(STU040)*.

OSFA should institute a best in business approach to customer complaints, systematically collecting and using them to good advantage *(STU034, EMP032)*. In addition, OSFA should conduct surveys and focus groups to gauge the services provided by OSFA and its partners, schools, and financial institutions *(STU041, SCH058, PAR006)*.

◆ *Make Paying Easy*

Status

It's hard to pay off a debt when you're in way over your head. Many of our young, inexperienced borrowers find themselves in a hole when they graduate, trying to cover their loan payments on top of the cost of housing, a car, and everything else, with an entry level job. OSFA does some up-front loan counseling and offers flexible pay-back options that shift the heavier load to later in your career. But borrowers, especially those whose loans wound up in default, told the task force they wish they had had better advice and more information about how to take advantage of the various repayment options. In combination with a strong economy, and stronger participation requirements for schools, counseling and flexibility have helped OSFA bring default rates from over twenty-two percent, down into the single digits. Even more can be done.

Actions

The best businesses know that electronic payments save them money and that automatic withdrawals are never late. They encourage their customers to pay that way, sometimes with discounts. Although the Department intends to introduce an interest rate reduction later this year for borrowers who pay their loans electronically, student borrowers don't yet get the full range of electronic, automatic options, and incentives. So we have a perfect opportunity to make improvements in this area.

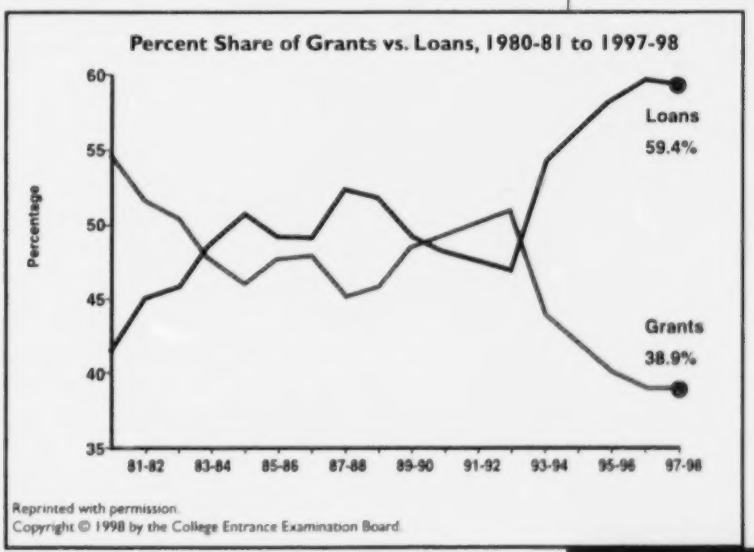


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Figure 11

Loans have displaced grants as the primary source of federal student aid.

OSFA should provide better financial counseling *(STU045, STU053, PAR037).*

SECTION III

Serving Students through Schools

Background

The Office of Student Financial Assistance (OSFA) delivers its product through a national network of 6,000 student financial aid administrators employed by schools. The better OSFA serves schools, the better schools can serve students. The better OSFA coordinates with schools, the less the whole system costs.

The economy would be better served if OSFA considered the cost of the whole delivery system, and tailored service to fit various school segments.

The schools run the gamut from Enormous State U. to Itty Bitty Beauty College. Some are on semesters, some are on clock hours, and some are on the Internet. Nearly all of them are honestly helping put America through school; a few are bad apples. OSFA must continue to diligently seek out and discard the bad apples so more tax dollars are spent at worthwhile schools.

OSFA has generally *tried* to make one size fit all for two good-sounding reasons — economy and fairness. It's cheaper for OSFA to issue each new year's application forms, procedures, and software on a single, routine schedule geared to the traditional school year that starts with fall semester. Cheaper, that is, if you don't count the cost of scrambling that goes on at the thousands of schools whose schedules are different — who want to close out admissions in May, or who start a new class each week. It's cheaper for OSFA to hold a big training session in a central location and cover everything everybody might ever need to know — if you don't count the cost of school employee travel and dead time in class waiting for relevant information. OSFA should consider the cost of the whole delivery system and provide service to fit various school needs.

Even in matters that are regulatory, OSFA will suggest to the Secretary ways to more fully utilize current flexibilities such as Experimental Sites. In a model of non-adversarial partnership, OSFA has been helping a number of colleges and universities reduce default rates so their students can keep getting federal aid. But the basic change that is needed — shifting the focus from red tape to *results* — will require full-blown statutory reform, which OSFA will recommend to the Secretary.

Schools do have some things in common. They all want better service, more and better information, and better training — training for their people and for OSFA's people. Good companies without anywhere near OSFA's complexity go to much greater lengths to make sure their retail distributors have the skills and information they need to serve customers. By doing things the right way, schools incorporate their fiduciary responsibilities into their operations. Consider McDonald's Hamburger U., the best companies cherish feedback from their frontline service components just as much as from their customers.

To deliver service equal to the best in business, OSFA must collaborate with schools. It must also hold them accountable for the administration of federal dollars. It must strike a balance between financial accountability to taxpayers and minimizing constraints on schools. They are our partners. And if our partner has a problem, we have a problem.

To deliver service equal to the best in business, OSFA must collaborate with schools. It must also hold them accountable for the administration of federal dollars. They are our partners. And if our partner has a problem, we have a problem.

◆ *Tailor Service for Schools*

Status

One size does *not* fit all.

Actions

OSFA should tailor its products and the timing of its distributions to fit the differing needs of different school segments *(SCH015, SCH018, SCH051, SCH052, SCH053)*. Let the schools in each segment help with the tailoring *(SCH045, SCH046, SCH047)*, and then don't surprise them with changes *(SCH016)*. Acknowledge schools that are doing things the right way by fulfilling their fiduciary responsibilities correctly. Take decisive and swift action against those that are not.

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◆ *One Call Does It All*

Status

Schools have the same problems dealing with OSFA that students have: no single place to get every question answered, any problem solved.

OSFA should assign each school an account manager who will be part of a customer service team with the know-how and the authority to help.

Actions

OSFA should assign each school an account manager who will be part of a customer service team with the know-how and the authority to help *(SCH001, EMP020, EMP021)*. The team would handle a number of similar schools so they can tailor service for that segment's needs *(SCH002, SCH003, SCH004, SCH011, SCH014, SCH017, SCH019, SCH053)*, and use feedback from the schools to make service even better *(SCH057, SCH058, SCH059, EMP062, EMP032)*. Other federal agencies have improved service this way; they can provide good models and advice *(SCH048)*.

OSFA should give schools more and better service on-line too, including a new web site even more useful than the Information for Financial Aid Professionals (IFAP) web site *(SCH005, SCH020, SCH056, SCH060)*. OSFA should give schools PIN-controlled access to the data they have a right to see *(SCH012, SCH021, SCH023)*. And OSFA should join forces with the National Student Loan Clearinghouse *(SCH022)* to improve the quality and scope of information beyond what OSFA could provide alone, creating an accurate "all-enrolled" database.

◆ *Create OSFA "University"*

Status

Understanding the combined complexity of government regulation, financial management, and information technology takes lots of well-organized training. It's missing. Schools complain that they can't keep up with all the latest, and that the people OSFA assigns to teach them sometime don't have the tools and training they need.

Actions

In partnership with OSFA employees, schools, financial institutions, and the Department's Training and Development Center (TDC), create an OSFA

"University," like Disney and Motorola Universities *(EMP009)*, to greatly raise the level of competence and professionalism throughout the entire student aid system. OSFA "University" will belong to all of us: OSFA employees, schools, and financial institutions. It will give us a way to broaden and sharpen our skills. Let schools help tailor the curriculum *(SCH006, SCH067)*. Provide OSFA with the tools and resources to succeed *(SCH007, SCH008, SCH009, SCH010)*. Raise the quality and confidence in audits by training Title IV auditors *(SCH032, SCH033, SCH034)*. Use video and other distance-learning techniques *(SCH066)*. As permitted by law, have school and OSFA employees swap positions for the most practical kind of cross-training, teaching, and learning experiences *(SCH049, SCH050, SCH061, SCH062, SCH065, EMP016, EMP017)*.

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SECTION IV

Serving Students through Financial Institutions

With goals of better service and lower cost, OSFA should be working in close partnership with financial institutions.

Background

Two-thirds of the student loans that are backed by the federal government don't come from the Office of Student Financial Assistance (OSFA). They are made by banks and other lenders and insured by guaranty agencies through the FFEL (Federal Family Education Loan) Program. OSFA gives those financial institutions rules and procedures to follow, some in great detail, and routinely checks up on them. But OSFA gets directly involved with FFEL loans only as a guarantor and collector of last resort. OSFA also works with states in developing assistance to needy students.

As with schools, the better OSFA serves financial institutions, the better they can serve students. The more closely OSFA coordinates with financial institutions, the less the whole system costs. With goals of better service and lower cost, OSFA should be working in close partnership with financial institutions.

> *"...I think that if OSFA could change anything, it would be being better partners with its partners. It could assist them through the maze and help them better understand how things should be done...by having OSFA work more closely with its partners, and by making sure everyone understands what's required, it will move everyone forward in a very positive way."*
>
> *– Chris Crissman, task force member*

In 1994, Congress instituted the William D. Ford Direct Loan Program as an alternative to the FFEL Program. The market now consists of about two-thirds FFEL and one-third Direct. Surveys show that students have bene-

fited from the competition, and customer satisfaction ratings for both FFEL and the Direct Loan programs have improved. Competition has brought costs to students down, too.

Partnership and competition can flourish together, as they do among basketball teammates or in GM's Chevy and Pontiac divisions. OSFA's Chief Operating Officer, Greg Woods, puts it this way, "True, I am trying to make Direct Loans more competitive. But I will do all I can to allow FFEL lenders to be more competitive, too. Then schools can choose the best, and either way, the students will benefit." To improve FFEL to make it better for students, OSFA has to build the partnership.

"True, I am trying to make Direct Loans more competitive. But I will do all I can to allow FFEL lenders to be more competitive, too. Then schools can choose the best, and either way, the students will benefit."
– Greg Woods
OSFA's Chief Operating Officer

OSFA's partners at financial institutions have many of the same complaints as those at schools: the rules are complex and dictate process instead of results; OSFA has hard-to-use systems and hard-to-get data; and there's a need for increased responsiveness. Consequently, the actions needed to build partnerships with financial institutions closely parallel those for improving the relationship with schools.

◆ *One Call Does It All*

Status

There is no single place in OSFA for a financial institution to get every question answered, any problem solved.

Actions

As with schools, OSFA should assign each segment of financial partners a customer service team with the know-how *(EMP020, EMP021)* and the authority to help *(PAR009, PAR010)*. Make sure that the procedures, policies, and regulations get to schools and financial institutions in a timely manner *(PAR042)*. Involve financial institutions in the design of everything that affects them *(PAR001, PAR003)* and constantly collect feedback from them to make sure service gets even better *(PAR004, PAR006, EMP032)*. Copy the best efforts of businesses and other federal agencies *(PAR041)*. Keep partners informed of OSFA's progress toward becoming a Performance–Based Organization (PBO) *(PAR007)*.

OSFA should give financial institutions more and better service on-line, too. Engage them in the design *(PAR005)* of

systems that gives them access to appropriate OSFA data and let them correct data when it's called for *(PAR043, PAR044, PAR045)*. Make most transactions with financial partners electronic and allow options that better respond to their needs *(PAR046)*.

There is a tremendous spirit of volunteerism across the country . . . OSFA will expand its use of the many community-based organizations that volunteer to assist students with the application processes.

◆ *Sharing information to support students*

Status

OSFA does not provide enough assistance to support students who are trying to manage their student loan debt.

Actions

OSFA should provide debt management information to student borrowers in paper format, electronically by fax, and on web sites sponsored by the Department of Education *(PAR037)*. OSFA's information systems modernization initiative will make debt counseling, information, and financial planning information available to students and their parents through an OSFA web page. To further assist borrowers, OSFA will include information on the ed.gov web site regarding both Direct Loan and FFEL consolidation options *(PAR038)*.

Some customers are frustrated by the student aid process due to problems with language, disabilities, or a variety of other reasons. The Department recognizes its responsibility to insure that program benefits are provided so as to permit participation by people with disabilities and limited English proficiencies. There is a tremendous spirit of volunteerism across the country. In keeping with its commitment and obligation to serve these communities, OSFA will expand its use of the many community-based organizations that volunteer to assist students with application processes. OSFA will explore incentives for volunteers who assist Limited English Proficient (LEP) students, those with disabilities, and others who find the student aid process difficult *(PAR040)*.

In cooperation with guarantors, OSFA will work to develop an electronic payment and reporting system *(PAR046)* to replace the current paper process. OSFA will also partner with lenders to develop a streamlined process for the electronic submission of quarterly 799

Models of Compliance Success

Agencies are discovering they can achieve the best results in terms of compliance by focusing on cooperation and prevention rather than punishment.

- The Occupational Safety and Health Administration (OSHA) initiated a pilot program to establish voluntary partnerships with companies that had the highest number of workplace injuries. Over a two-year period, this program resulted in a major reduction of workplace hazards and injuries.
- The Environmental Protection Agency (EPA) established a combination of programs involving partnerships in setting standards, consensus-based decision making, compliance assistance and prioritization, and risk assessments to meet agency environmental goals.

How they did it:

- At OSHA, the 200 companies that had the highest number of workplace related injuries within a state were offered a choice: either partner with OSHA, or face stepped-up enforcement action. All but two firms chose to partner with OSHA. OSHA gave those firms in-depth technical assistance in developing safety and health programs and placed them on a secondary list for inspections. Enforcement and fines diminished significantly. Over a two-year period these employers identified over 95,000 hazards and sixty percent of the employers achieved reduced injury and illness rates.
- EPA established partnerships with industry to voluntarily achieve agency goals. In one reinvention program, participants met and exceeded guidelines established by EPA to reduce chemical pollutants, often while achieving corporate savings. In other programs, EPA initiated a risk assessment process and is partnering with state entities to provide compliance assistance and prioritization in lieu of more costly enforcement. The need for costly enforcement has been reduced while the agency is able to meet its environmental commitments to the public.

Figure 12

These are a few models of compliance success.

reports *(PAR047)* and will provide lenders the option of monthly versus quarterly reporting to allow for more frequent payments of subsidized interest and special allowance payments *(PAR048)*.

OSFA should select pilot states to incorporate their state student grant application form or process into FAFSA on the Web *(PAR050)*.

SECTION V

Empowering OSFA Employees and Contractors

To change the way it deals with the world outside, OSFA will have to change the way it works inside — its structure, its tools, its ground rules and incentives — if you will, its culture.

Background

The previous three chapters are full of wonderful recommendations for improving service to students, schools, and financial institutions — recommendations that the Office of Student Financial Assistance (OSFA) should do *this*, OSFA should do *that*. Who'll have to do all the thises and thats? It's going to be up to the people who work for OSFA and its support contractors. To change the way it deals with the world outside, OSFA will have to change the way it works inside — its structure, its tools, its ground rules and incentives — if you will, its culture. Like charity, transformation to a Performance-Based Organization (PBO) begins at home.

It's not that we aren't doing the job of delivering student financial aid. Currently, over 1,200 direct employees in Washington, D.C. and ten regional offices work in OSFA to deliver over 50 billion dollars in aid to nine million students each year. That's a lot of money. Overall, the dollars are delivered to the right people at the right time and, repayment rates are improving year in and year out. As OSFA moves to becoming a PBO, significant improvements in the integration, simplification, and reduction of the administrative costs associated with delivering an ever-increasing volume of financial aid are certainly possible.

But we can do even better. In becoming a PBO, OSFA can make the most direct changes for its employees. If OSFA wants its customers to think of this organization as a best in business service provider, OSFA employees need to believe in that too. Employee surveys, the most recent by the National Partnership for Reinventing Government (NPR), show how much change is needed. Only 60 percent

of OSFA employees feel empowered, and only 60 percent are satisfied with their jobs — probably no coincidence. One in four knows of no goal related to satisfying customers, and half say they need more training to succeed. The task force collected over 3,000 comments from OSFA employees and nearly all deal with those same topics — the desire for a clear mission. OSFA employees want to deliver best in business service to their customers and want the training, tools, and authority to achieve that goal. One thing the task force did in listening to OSFA's customers was to begin to understand the enormous impact OSFA has on people's lives for improving opportunities for postsecondary education. As OSFA organizes along customer segments, all OSFA employees will have that same opportunity. That will be the first step in transforming OSFA to a PBO, but OSFA must serve its employees as well.

"A single mom was telling us how it was through federal aid that she was able to go to school to find a job that would support her and her baby. It put a face on our customers and personalized our programs for me. I saw at the most basic level just what a great impact our programs have. We really affect and change lives for the better."

– Greg Glova, task force member

Only 60 percent of OSFA employees feel empowered, and only sixty percent are satisfied with their jobs.

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I NEED TO THINK "OUTSIDE THE BOX" TO COME UP WITH A CREATIVE DESIGN..
I PUSH MY CHAIR INTO THE HALLWAY TO CHANGE MY VIEWPOINT AND STIMULATE MY CREATIVE JUICES.
SUDDENLY MY JUICE DRIES UP.
YOU'RE A FIRE HAZARD. DO YOUR THINKING INSIDE YOUR BOX.

Figure 13

OSFA can get a lot more out of contract workers too — and *must*, because they handle most of the front-line customer service. *Performance*-based contracting is the key. OSFA has had some luck with performance contracts already. They played a big role in successfully processing ten times the normal volume of loan consolidations last January, just before the interest rate went up. Other federal agencies use performance contracts to good advantage, too. For example, GSA's Denver region scrapped the traditional,

process-based custodial contract, which painstakingly defined three kinds of dust and specified that bathrooms be swabbed with *yellow* sponges (no one knows why). They got better and cheaper results with a simple agreement that the contractor would "keep the building clean," and that either party could cancel with 60 days notice.

Assume people have to be told how to do everything and watched every minute, and that's mostly what you get.

The same, simple truth lies behind performance-based organizations and performance-based contracts. Assume people have to be told how to do everything and watched every minute, and that's mostly what you get. Assume people will figure out how to reach the goals you have in common, and you get more of that. OSFA needs to continue to move to the latter.

◆*Create A Clear Mission and Goals*

Status

Even though OSFA has a clear and mighty uplifting mission — to help put America through school — too many workers don't see how their jobs are aligned with that mission, nor do they have goals that obviously contribute to it.

Figure 14

I'VE DECIDED TO BE MORE OF A HANDS-ON MANAGER
MOVE THE MOUSE UP... UP. OVER... MORE...
NOW CLICK IT!!
CLICK IT!!
NO!!! YOU FOOL!!!
THIS HAS "LONG DAY" WRITTEN ALL OVER IT

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Actions

Employee empowerment is at the heart of delivering best in business customer service.

OSFA should make sure everyone understands the mission *(EMP002)* and that its organization and processes align with student, school, and financial institution segments *(EMP001)* to reflect the mission. Establish measurable goals that focus on results in terms of customer satisfaction, employee satisfaction, and unit costs *(EMP003, PAR023, PAR028, EMP007)*. Give employees and contractors the flexibility, authority,

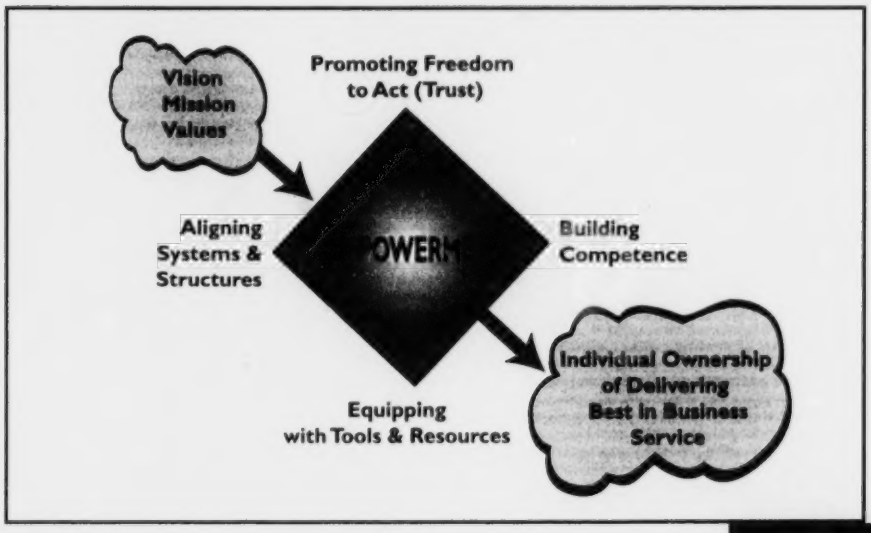

Figure 15

OSFA will drive its mission, vision, and values through employee empowerment to deliver best in business services.

and equipment *(EMP020, EMP021, EMP022, EMP039, EMP044, PAR008, PAR033, PAR035)* they need to achieve those goals. Use more self-managed teams that can control their own staffing, shop for the best values, and are responsible for their products *(EMP029, EMP031)*. Save money, improve service, and demonstrate trust by promoting flexible workplaces and hours *(EMP042)*. Encourage innovation and risk-taking in seeking to improve services and products — reward and celebrate successes *(EMP006, EMP008, EMP030)*. Celebrate good *tries*, too — workers will be more innovative if failure is not so risky *(EMP028)*. And last, but not least, celebrate monumental anniversaries — workers are dedicating their lives to this mission *(EMP046)*.

> *"If I could take one lesson back to my office from my experience on the task force, it would be to not be afraid to take risks. It's important to know that you CAN make things happen, you CAN make a difference. Be a catalyst for change. If I can help others in my office visualize that concept as well, that would be great."*
>
> *– Lexi Byers, task force member*

◆ *Get Everyone In Touch With Customers*

Status

Front line employees know a lot about what customers want and how to improve service, but employees who don't have daily contact with customers can forget to put customers first.

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MY PLAN IS TO MAKE YOU A SELF-DIRECTED TEAM.
AFTER A FEW TEAM MEETINGS, THE DISRESPECT YOU HAVE FOR EACH OTHER WILL FESTER AND GROW INTO FULL-BLOWN LOATHING.
YOU'LL BEG ME TO MICRO-MANAGE YOU!! HA HA HA!!
IT ACTUALLY FEELS GOOD TO HAVE A PLAN.

Figure 16

Actions

OSFA should keep everybody in touch with customers — from the COO on down, everyone should spend time regularly taking calls and serving customers *(EMP034)*. Disney's CEO spends time walking around the Magic Kingdom in a Goofy suit — the loftier your position, the more you need it. OSFA employees should establish a system that provides feedback to employees regarding their skills and responsiveness to the needs of the customer *(EMP036)*. Best in business companies do this all the time. In fact, we already do this with our contractors. Give employees time off to do volunteer work in accordance with standards set by ED *(EMP045)*. Get more students to work in OSFA offices when school is out *(EMP051)*. Rotate managers' assignments so they learn what it takes to serve *all* customer segments *(EMP004)*. Continue the listening sessions with customers and employees that were started by the task force — and have all OSFA managers read the notes from these listening sessions with customers and front-line workers — it's a treasure chest of ideas *(EMP037)*.

Front-line employee knowledge about customer needs and ways to satisfy those needs is the backbone of a successful customer service organization. For OSFA to truly transform itself into a PBO, it needs an employee feedback system. OSFA should create an "Employee Ideas Advocate"; a system where employees can continually submit their ideas directly to OSFA leadership for improving service, reducing costs, and increasing customer and employee satisfaction. Employees can use the system to track the response of OSFA leadership to their ideas and OSFA leadership can use the system to communicate with employees about suggestions that are implemented *(EMP032, EMP033)*.

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THAT'S AN INTERESTING SUGGESTION, WALLY. BUT IF IT'S A GOOD IDEA, WHY AREN'T OTHER COMPANIES DOING IT?
S. Adams E-mail: SCOTTADAMS@AOL.COM
CAN YOU IMAGINE IN YOUR WILDEST DREAMS THAT MAYBE, JUST MAYBE I HAD A GOOD IDEA THAT NOBODY ELSE THOUGHT OF?!!
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YOU MUST HAVE SEEN IT IN A BOOK.
THANKS FOR THE CONFIDENCE IN MY ABILITIES.
YOU READ A BOOK?

Figure 17

◆ *Create an OSFA "University"*

Status

Understanding the combined complexity of government regulation, financial management, and information technology takes lots of well-organized training. Half of OSFA's employees say they aren't getting the training they need to provide the service to their customers.

Actions

Expanding on the actions in the chapter about schools, and in cooperation with the Department's Training and Development Center (TDC), make the OSFA "University" like the best corporate universities, such as Disney's, Motorola's, the Tennessee Valley Authority University, and the Bank of Montreal Institute for Learning *(EMP009)*. Get everyone involved to make OSFA U. the best, not only for OSFA employees, but for our partners, too *(EMP010, EMP015, EMP018, EMP019)*. Teach all the needed technical skills *(PAR031, PAR032, PAR034)* and management and leadership skills, too *(EMP011)*. Exchange programs and externships between OSFA and its partners will help promote learning as well as improve each other's understanding of how we do business *(EMP016)*. In addition, OSFA should work with postsecondary institutions to create a position at the "University" for a "School Official in Residence," which could be rotated among top performing institutions *(EMP017)*.

To get the most from the "University," OSFA should help each employee to create an Individual Development Plan (IDP) *(EMP013)* associated with a specific career path *(EMP025, EMP026)*. Keep a record of each worker's studies and competencies *(EMP012, EMP014)* and refer to it when filling vacant jobs *(EMP027)*.

OSFA should work with postsecondary institutions to create a position at the "University" for a "School Official in Residence," which could be rotated among top performing institutions.

◆*Take Care of OSFA Employees*

Status

Federal workers have good pay and benefits, but the best companies are always looking for ways to do better by their people.

Actions

OSFA should provide a safe and healthy workspace for all employees *(EMP038)*. Employees would welcome better day care *(EMP047)*, and better programs for stress management *(EMP048)*. For employees who prefer not to make the changes OSFA must provide exit interviews *(EMP035)* and career transition help *(EMP050)*. OSFA will recommend to the Secretary that he seek only legislation necessary to implement these goals.

◆*Facilitate Performance Contracts*

Status

OSFA has little experience with performance-based contracting, and old habits die hard.

Actions

Get the contracting process started a little earlier than usual so we have extra time to do things right the new way *(PAR022, PAR024, PAR025, PAR026, PAR027, PAR029, PAR030)*. As a standard practice, hold monthly review meetings between the business process owners, the Contracting Officer's Technical Representative (COTR), the contracting officer, and the contractor — and, of course, joint meetings with interlocking contractors *(PAR036)* — so everyone can work together to make performance-based contracting a success.

Best in Business Practices
Partnering with Contractors

- In a General Services Administration (GSA) contract for custodial requirements, specification writers only identified desired quality levels. Offerors' technical proposals only identified the frequency and methods to be employed to meet quality standards. The result was maximum flexibility for the contractors.
- Health and Human Services (HHS) had clear success issuing a draft solicitation for computer maintenance. They received useful comments from industry that led them to re-evaluate some aspects of their technical approach and recognize areas in need of clarification. HHS experienced fewer problems with the solicitation as a result.
- The Department of Commerce included the contractor on a grounds maintenance contract as a partner in implementing the contract monitoring and reporting requirements. The result was a continual dialogue between the two parties about contract performance focused on results.
- Within the Department of Defense (DOD), the Army Corps of Engineers implemented a partnering program with its contractors that achieved cost, schedule, and performance goals. DOD believes partnering with its contractors improves relationships and communication between government and industry.

Figure 18

OSFA will use these examples as a model for partnering with contractors.

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SECTION VI

Policy, Regulatory, and Statutory Changes

Background

As noted throughout this report, some of our customers and partners made recommendations to improve the regulations and statutes that govern the Federal Student Financial Aid Programs. The Office of Student Financial Assistance (OSFA) has referred these recommendations to the Secretary, who is committed to a thorough review of these recommendations to determine which of these suggested changes can and should be pursued. Implementation by OSFA will, of course, await completion of that review and, if necessary, subsequent negotiated rulemaking or congressional action.

The recommended policy, regulatory, and statutory changes are as follows:

Policy/Regulation

Subject to Office of General Counsel (OGC) clearance, OSFA should partner with the postal service, motor vehicle departments, cultural and community organizations, fast food restaurants, and other such customer gathering places to help get the word out *(STU003, STU006)*.

Forms, such as the *Free Application for Federal Student Aid* (FAFSA), and processes, like disbursement and reconciliation, are specified in regulations. Simplifying them would require regulatory change *(STU019, SCH044)*.

Work with tax information software companies to transfer information from Form 1040 into our electronic application so everyone doesn't have to give the government income data twice *(STU020)*.

Make applying on the web even easier and more secure. Subject to appropriate disclosures and privacy and security measures, work with IRS to effectively implement matching

Department of Education (the Department or ED) data with IRS data *(STU026)*.

Distribute a revised Student Bill of Rights with every OSFA publication *(STU035)*.

OSFA should work with the Department to find a new name, one that preserves the tradition of helping to put America through school and celebrates the new dedication to service, partnership, and financial responsibility *(STU054)*.

OSFA should work with the Department to find a new name, one that preserves the tradition of helping to put America through school and celebrates the new dedication to service, partnership, and financial responsibility.

Offer a choice of modern repayment options, including debit card, electronic debit accounting, and credit card payment *(STU042, STU048)*. Provide incentives to borrowers that reward efficient methods and timely repayment *(STU043)*. ED should also consider automatic salary withholdings *(STU044)*, letting borrowers pay a fixed percentage of their income. That would satisfy many customers and allow OSFA to save money on collections. OSFA should also work with employees of the Debt Collection Service (DCS) to find ways to make their operations more effective, cost less, and be less confusing to customers *(STU047, STU050)*.

In collaboration with the Department, using consistent sources (e.g., web site, press releases, "Dear Partner"letters) release information promptly about progress toward becoming a Performance-Based Organization (PBO), changes to products, and other information *(SCH013)*.

A central theme of several recommendations is to concentrate less on process and more on results. Many regulations are written in the process mode *(SCH025, SCH028, SCH030, SCH040, PAR020)*. A related recommendation would expand results-oriented experiments now limited by regulation *(SCH029)*.

Another theme is to involve customers and partners in a regulatory reform effort. Public involvement is necessary for any regulatory change. We highlight these recommendations only because they *call* for broad regulatory change *(SCH031, SCH039, SCH043)*.

Both schools and financial institutions recommended cost benefit analyses of new regulations *(SCH041, PAR018)*.

One recommendation seeks a way to deliver aid to students at schools that are good academically, but which cannot administer the aid acceptably *(SCH027)*.

Schools want the Department to initiate the formal process of negotiated rulemaking to lighten their regulatory burden and shift the emphasis to performance — the same thing that Congress did when they made OSFA the nation's first PBO. Most of the rule changes that schools would like — simpler disbursement and reconciliation processes *(SCH044)* and performance-based program reviews *(SCH025)* — cannot be fully implemented without the participation of all stakeholders and new, negotiated regulations.

Common sense also dictates quick correction of the few schools that are way out of line due to incompetence or fraud. OSFA should create a rapid response team, calling on state accrediting and licensing agencies, guaranty agencies, the OGC and Office of Inspector General (OIG) for help when strong enforcement is needed *(SCH035, SCH036)*.

Two recommendations involve letting schools use professional judgement to change students' estimated family contributions *(SCH063, SCH064)*.

ED should put its financial partners on the same *performance* basis as Congress has put OSFA. Engage financial institutions in the same kind of regulatory reform effort called for by schools *(PAR002, PAR017, PAR021)*, recognizing that all stakeholders must be engaged in the negotiated rulemaking process. Write regulations that consider results *(PAR018, PAR020)*.

ED should begin the shift from red tape to results now, by reducing the burden of program reviews *(PAR011, PAR014)*, offering more technical assistance *(PAR012)*, creating awards for partners who perform well *(PAR013, PAR016)*, and continuing ongoing efforts by putting an emphasis on audits. ED is already working on Voluntary Flexible Agreements with guaranty agencies to focus on results. OSFA should also create a rapid response team to deal with any financial institution that causes students problems *(PAR015)* or puts taxpayer interests at risk.

OSFA will work with the Department to expand the ed.gov web site to accommodate access to loan consolidation forms and electronic submission *(PAR039)*.

Legislation

One idea for making it easier to pay loans back is to authorize a voluntary tax refund offset *(STU049)*.

Where possible, set consistent dates for implementation of regulatory change *(SCH043, PAR019)*.

Employees who would like to pursue higher education recommended more flexible working hours and tuition reimbursement, both limited in law *(EMP005, EMP040)*.

Repeatedly in surveys, federal employees say that government does a bad job of dealing with poor performers. It was the number one complaint of OSFA employees in the National Partnership for Reinventing Government (NPR) survey. Clear mission, goals, and incentives should solve most of the problem. But OSFA must be able to more quickly remove workers who can't or won't do the job *(EMP023, EMP024)*. If necessary, OSFA will ask the Secretary to seek additional legislative authority.

Let employees select from a menu of non-salary benefits *(EMP041)*.

Abolish time sheets in keeping with a culture of trust. Implement fully electronic exception reporting in lieu of time sheets *(EMP043)*. Request early out and buy-out authority as a soft landing for employees close to retirement who do not want to continue working in the PBO *(EMP049)*.

One group of borrowers believe they are caught in an unfortunate situation. They spent their borrowed money on schools that shut down before they graduated. The law lets OSFA write off such debts, but it's no help if the school closed in 1985 or earlier. Making the law retroactive may cost a lot of money *(STU046)*.

Do a pilot project to allow state agencies to give ED the job of tracking Paul Douglas Scholarship recipients and of collecting repayment of the scholarship if the teaching requirements are not met and the scholarship turns into a loan *(PAR049)*.

Even though regulatory reform will take time, OSFA should make a start now by developing performance plans in partnership with schools *(SCH024, SCH037, SCH038)*, and rewarding schools that produce outstanding results *(SCH026, SCH068)*, and involve schools in the process *(SCH055, SCH056)*.

And there are others, as we look at implementation, that may have policy implications.

Appendices A, B, & C

APPENDIX A

Listing of Actions

This appendix provides a summary of the Customer Service Task Force's action items by category.

- Recommendations that OSFA can implement;
- Recommendations that may require legislative change; and
- Recommendations that may require regulatory and/or policy decisions.

Each action item begins with a three-letter code that identifies the team and is followed by a tracking number.

Segment Code	Segment
STU	Students
SCH	Schools
PAR	Partners
EMP	Employees

◆ *Recommendations that OSFA can implement*

Action #	Description of Action
STU001	Provide Early Awareness information to students and their families so they can plan for postsecondary education early. Create an Office of Student Financial Assistance (OSFA) web site that links to the "Think College Early" web site that students and parents can use to plan investments in education. It will tell them the cost of becoming anything from a lawyer to a cosmetologist and what income to expect. It will also have financing options, tips for saving, and student loan debt management counseling. Download it free and use it at home. Include appropriate disclosure and privacy and security measures.
STU002	Link the "Think College Early" web site to other web sites used by students, parents, teachers, and career counselors. Hotlink it to sites of postsec-

Action #	Description of Action
	ondary institutions, lenders, guaranty agencies, and other federal agencies to provide consumer protection information, loan repayment calculation models, Department of Labor (DOL) job and income data, college job placement rates, and other relevant information. Provide access to free financial planners on the web subject to the Office of the General Counsel (OGC) concurrence. Include appropriate disclosure and privacy and security measures.
STU004	Teach local, state, and federal agencies, non-profit, community, and national organizations about financial aid.
STU005	Get help from media organizations to target specific populations, including non-traditional student groups.
STU007	Let students and their families choose the communication method that is best for them. Don't forget people without computers. Use the Internet as much as possible, but also provide plain language pamphlets and toll-free phone service.
STU008	Get Internet Service Providers (ISP), schools, and outreach partners to create electronic web site links to the OSFA home page.
STU009	Put OSFA web site links on various web site banners, subject to OGC concurrence.
STU010	Create a communication department within OSFA to handle all forms of information dissemination for all customer segments in coordination with the Department of Education (ED) public affairs office.
STU011	Partner with the National Association of Student Financial Aid Administrators (NASFAA) and state agencies to help develop a "speakers bureau"of student financial aid professionals, including high school guidance counselors, who can go to career days, Parent Teacher Association (PTA) meetings, middle schools, and high schools.
STU012	Expand initiatives with cultural and language organizations to help translate OSFA information into foreign languages (recognize different cultures within language segments). Copy the

Action #	Description of Action
	best of what other agencies and companies do to communicate in foreign languages.
STU013	Partner with schools and other organizations to help student aid applicants with special needs, (e.g., returning non-traditional students, welfare to work, and returning veterans).
STU014	Get financial aid information to youth who are in detention centers, and to their parents.
STU015	Develop and distribute videos on postsecondary education and financial aid to students who don't go to school (i.e. home-schooled or disabled).
STU016	Sponsor an annual workshop to promote outreach partnership and activities such as aid awareness and application assistance.
STU017	Organize "volunteers" to help people apply for aid (e.g., service organizations, student groups, retired people, high school, proprietary school, community college, and four-year college personnel). Offer incentives to postsecondary students who participate in assisting other students.
STU018	Partner with TRIO, GEAR-UP, the Office of Elementary and Secondary Education, the Office of Bilingual Education and Minority Languages Affairs (OBEMLA), the Office of Vocational and Adult Education, and other ED offices to disseminate financial aid information and help students complete the application process. Additionally, partner with non-ED offices such as the American Council on Education, the College Board, and NASFAA.
STU021	Partner with colleges to build software that transfers admissions application data into FAFSA on the Web, like the commercial software that Cal State and schools in New York use.
STU022	Get people to use the electronic FAFSA instead of paper. Issue Personal Identification Numbers (PINs) so students can correct FAFSA errors through the Internet.
STU023	Simplify FAFSA renewal: OSFA will fill out the forms, so students can simply sign and return them if there are no changes.
STU024	Let students list all the schools they are applying to on the FAFSA.

Action #	Description of Action
STU025	Notify students when their FAFSAs have been received, and again when processing is completed.
STU027	Scrap the *Student Aid Report* (SAR) in its current format. Instead, send student applicants a plain language letter that clearly explains what's next, details the information they provided, and explains how to correct any FAFSA errors.
STU028	Include language on the SAR that reinforces the role of taxpayer dollars in student aid.
STU029	Test all annual changes to the FAFSA with focus groups consisting of secondary and postsecondary students and their parents.
STU030	Test all changes to the Direct Consolidation Loan application forms with focus groups consisting of Direct Loan and Federal Family Educational Loan (FFEL) borrowers.
STU031	Make the 1-800-4FED-AID number more visible on the FAFSA and clearly identify that the number is OSFA and not the student's school financial aid office.
STU032	Highlight general deadlines (i.e. application deadline, school deadline, and state deadline) in the student financial aid application process. Display the information in a chart or table.
STU033	Redesign the FAFSA to offer a "check-off block" to indicate special circumstances (e.g., reduced income or dependency issues).
STU034	Continually collect complaints, compliments, and customer ideas for improving the financial aid process. Hold the Student Ombudsman office and the Student Channel General Manager accountable for using the feedback to improve aid delivery and repayment processes.
STU036	Establish one toll-free number for student customer service. Make account information on loan balances, payment histories, and other general account information available 24 hours a day, 7 days a week.
STU037	Give phone operators the best technology to serve students, such as "screen pop" and anticipatory call center technology.
STU038	Provide information in accessible formats to meet special needs. Include a statement on all

Action #	Description of Action
	printed materials that advises the reader that the information can be provided in other formats upon request.
STU039	Create a global one-stop shopping customer service department for teletype writer for the deaf (TTY).
STU040	Host an OSFA chat room with financial aid experts on-line to assist customers.
STU041	Conduct structured and representative focus groups on a regular basis to validate the services provided by OSFA and its partners.
STU045	Offer "entrance" and "exit" counseling more frequently and in plain language.
STU051	Subject to appropriate security measures, provide borrowers 24-hour access to their account information through a choice of the web or a toll-free call.
STU052	Include FFEL information on the OSFA web site. Include all the current Direct Consolidation forms and permit electronic submission.
STU053	Offer debt counseling to borrowers in the Debt Collection Service (DCS) loan portfolio as a service.
SCH001	Assign each school an account manager who will be part of a Customer Service Team with the know-how and authority to solve problems. Align the organization into channels around customer segments.
SCH002	Customer Service Teams will expand current activities to provide one-on-one training and technical assistance to high-risk schools.
SCH003	Expand current initiatives to help non-compliant schools and schools on reimbursement with an action plan to improve their management of Title IV programs.
SCH004	Assign more OSFA people to give schools technical assistance in all programs.
SCH005	Replace the Information for Financial Aid Professionals (IFAP) web site with a more sophisticated and robust web site. Make the "what's new" area on IFAP more visible, and replace or upgrade the IFAP search engine.
SCH006	Survey schools to determine when they need

Action #	Description of Action
	training.
SCH007	Put the right OSFA people into the right jobs with the right skills.
SCH008	Provide presentation skills development to all OSFA staff who make presentations or who do training.
SCH009	Require professional development for OSFA trainers and other staff who make presentations.
SCH010	Provide resources and incentives to encourage professional development for OSFA trainers (meetings, training, professional journals). Make professional development an employee evaluation issue.
SCH011	Expand current initiatives for new schools including: ❖ A check list of steps to become eligible; ❖ Instructions on how to begin drawing funds; ❖ On-site technical assistance to meet our requirements (upon request); and ❖ An invitation to the regional office to meet the staff.
SCH012	Integrate all OSFA databases, and give schools appropriate access within Privacy Act constraints and with appropriate security measures.
SCH014	Give all schools a cost-free way to contact OSFA.
SCH015	Coordinate the distribution of timely, internal operating procedures used by OSFA staff and schools in the delivery of student financial aid.
SCH016	Have a stable cycle for systems changes. Reduce or eliminate crises-generated "quick fixes" that require extensive school reprogramming.
SCH017	Encourage all schools to use the web to get publications, but make printed publications available to schools who do not have Internet access. Survey schools to determine when they need publications and deliver them on time.
SCH018	Post the publication calendar on the OSFA web site, and get public feedback.
SCH019	Expand current mailing lists to include administrative offices, branch campuses and OSFA related entities such as TRIO.
SCH020	Allow schools to download all OSFA software

Action #	Description of Action
	and materials through the OSFA web site.
SCH021	In collaboration with the Department, provide school access to appropriate OSFA-held loan data (Direct Loans and Debt Collection Service) within Privacy Act constraints.
SCH022	Within appropriate security measures, partner with the National Student Loan Clearinghouse and other databases. Explore the possibility of Direct Loan schools supporting the Clearinghouse.
SCH023	Complete the integration of all databases used to track audits and financial statements. Eliminate duplicative and conflicting information.
SCH032	Give auditors all relevant publications, including the most up-to-date audit guide.
SCH033	Train Title IV auditors.
SCH034	Work with the Office of the Inspector General (OIG) to increase the confidence in annual audits.
SCH045	Establish Partnership Council Teams, made up of frontline school and OSFA employees, and senior OSFA leadership to: ❖ Establish, with our schools, guiding principles of quality customer service; ❖ Emphasize OSFA's commitment to training and technical assistance for schools; ❖ Share performance data for benchmarking purposes; and ❖ Ensure delivery of quality customer service to populations that are under-served by OSFA programs (e.g., bilingual populations). Subcommittees will address specific issues to improve service to students; for example, reducing defaults, standardizing forms, and other common program issues.
SCH046	Create a unit within OSFA to survey customers on product and service needs. Use the feedback to develop and improve OSFA products and services. This unit would perform or support: ❖ **Research & Development** to promote best in business practices; ❖ **Product Development** to test new product prototypes and incorporate customer feedback into the product design;

Action #	Description of Action
	❖ **Outreach** to raise awareness of OSFA's products and services and build partnerships for product and service delivery; and ❖ **Planning** to focus OSFA's efforts on anticipating and satisfying customer needs.
SCH047	Have system users (external and internal): ❖ Tell us what system changes they want; ❖ Review new system change(s); and ❖ Give feedback on the outputs of each system change.
SCH048	Work with other federal agencies (e.g., Veterans Affairs, Treasury Department, Social Security Administration, General Accounting Office (GAO), and Congress) to improve customer service.
SCH049	Have a position in OSFA for a "School Official in Residence" on a rotating basis. Use school personnel from the Financial Aid, Business, and Data Processing offices.
SCH050	Invite members of the community to speak at OSFA all-hands employee meetings to give their perspective on OSFA's performance. Make videotapes of the presentations available to the regional offices.
SCH051	Expand current initiatives to partner with the Puerto Rico education entities, schools, and partners to identify and address the needs of the community.
SCH052	Look into translating more ED publications into Spanish and posting them on a Spanish web page. See if there is a need to publish in other languages.
SCH053	Involve schools in operational decisions to assess impact. Test changes with schools before implementing.
SCH056	Continue to use the Customer Service Task Force web site and feedback pages or a similar site to capture customer feedback. Use this method with other existing feedback sources.
SCH057	Hold structured and representative focus groups regularly to validate the services OSFA provides.
SCH058	Create an ongoing user-friendly customer service feedback system any place OSFA has an Integrated Voice Response Unit (IVRU).

Action #	Description of Action
SCH059	Commit to a policy that *any* complaint from schools will be addressed promptly.
SCH060	Partner with schools to develop a Knowledge Management process so they can share ideas and information. Keep the information in a common database; a "library" of information for schools to access. Include appropriate disclaimers that ED has not reviewed and approved the information.
SCH061	Create an exchange program between OSFA, schools, and OSFA servicing offices (e.g., the Contracts and Purchasing Operations) where school employees would work at OSFA and OSFA employees could do the same at a school's site.
SCH062	Get schools to provide technical assistance to other schools in a mentoring program. Partner with NASFAA and build upon their mentoring initiative.
SCH065	Include qualified school personnel in our pool of trainers. Expand the network of institutional trainers.
SCH066	Increase training delivery by using: ❖ Video-conferencing; ❖ Training videos accessible by mail or Internet; ❖ Web-based training; and ❖ Interactive web-based training. Examine the possibility of an OSFA syndicated television program.
SCH067	Ask schools what training they want and provide it.
PAR001	Establish Partnership Council Teams, with guaranty agencies and lenders to: ❖ Develop and implement guiding principles of quality customer service for students; ❖ Develop training and technical assistance materials for OSFA and partners to use in educating their customers and clients on student aid; ❖ Define, develop, and share performance data for benchmarking purposes; and ❖ Address issues to improve service to students through specialized subcommittees to reduce defaults, standardize forms, and other common program issues.

Action #	Description of Action
	Partnership Council Teams will be based upon trust.
PAR003	When possible, work jointly with partners and get buy-in before issuing "Dear Partner"letters to announce operational changes.
PAR004	Continue to use the Customer Service Task Force web site and feedback pages or a similar site to capture customer feedback. Use this method with other existing feedback sources.
PAR005	Have system users: ❖ Tell us what system changes they want; ❖ Review new system change(s); and ❖ Give feedback on the outputs of each system change.
PAR006	Conduct structured and representative focus groups on a regular basis to validate the service provided by OSFA and its partners.
PAR007	Using consistent sources (e.g., web site, press releases, "Dear Partner" letters) release information promptly about progress toward the PBO, changes to products, and other information.
PAR008	Immediately tell employees and contractors about system updates.
PAR009	Assign each partner a Customer Service Team with the know-how and authority to solve problems. Organize around customer segments.
PAR010	Partner with the Puerto Rico education entities to identify and address the needs of the community.
PAR015	Create a rapid response team to quickly and effectively identify and address serious administrative problems.
PAR022	Begin acquisition planning as early as possible.
PAR023	Structure Requests For Proposals (RFPs) so they emphasize results versus process.
PAR024	Tailor evaluation criteria to the needs defined in the acquisition planning.
PAR025	Include interested bidders early in the acquisition process, before OSFA develops a draft RFP. Invite interested bidders to propose RFP content, including evaluation criteria.
PAR026	Release Requests For Information (RFIs) earlier, allowing for more rounds of comments.

Action #	Description of Action
PAR027	Have OSFA staff from each channel develop outcome-based performance standards early in the procurement process.
PAR028	Build in incentives and consequences based on performance linked to customer satisfaction. Implement these performance standards across all contracts affecting the same customer segment.
PAR029	Build in adequate time for system testing and enhancements.
PAR030	Coordinate contract implementation period with RFP respondents.
PAR031	Offer "performance-based contracting" classes to all OSFA employees who routinely work with contractors.
PAR032	Offer basic contract administration classes to all OSFA employees and their managers who work with contractors.
PAR033	Empower Contracting Officers Technical Representatives (COTRs) and on-site monitors to make decisions affecting day-to-day program operations.
PAR034	Develop a Team Certification Program where business process owner, COTR, and Contracting Officer (CO) learn to work together.
PAR035	Delegate acceptance/rejection authority from the COTR to employees who receive contractor products and outputs.
PAR036	Hold monthly review meetings between the business process owner, the COTR, the CO, and the contractor. Hold joint meetings with interlocking contractors.
PAR037	Give student borrowers debt management information electronically and in paper.
PAR038	Include information on the ed.gov web site regarding both Direct Loan and FFEL consolidation options subject to appropriate disclosure and privacy and security measures.
PAR040	Get community-based organizations to "volunteer" to help people apply for aid. Offer incentives to postsecondary students who participate in assisting other students. This could be for all customer segments, English speaking, Limited English Proficient (LEP) and people with disabilities.

Action #	Description of Action
PAR041	Work with other federal agencies (Veterans Affairs, Treasury Department, and Social Security Administration) to improve customer service.
PAR042	In collaboration with the Department, make sure that procedures, policies, and regulations get to partners in a timely manner.
PAR043	Give guarantors access to all the information in NSLDS, subject to Privacy Act considerations and appropriate security measures.
PAR044	Examine the possibility of letting GAs and lenders update information for NSLDS on-line, subject to Privacy Act considerations and appropriate security measures.
PAR045	Give guarantors Dun and Bradstreet (DUNS) numbers electronically, so they can update their participant databases.
PAR046	In cooperation with guarantors, develop electronic payment/reporting systems.
PAR047	Work with lenders to develop a streamlined, electronic process of submitting the quarterly report (799 report).
PAR048	Once lenders have the electronic reporting process, explore monthly instead of quarterly reporting.
PAR050	Let states incorporate their state student grant application form or process into FAFSA on the Web.
EMP001	Develop a meaningful mission statement. Clearly align each employee's job duties to the mission statement.
EMP002	Affirm employee support for OSFA's mission through a Rights and Responsibilities Contract distributed to all employees, partners, and customers.
EMP003	Focus leadership performance standards on customer and employee satisfaction rather than process and administrative tasks. Managers will empower employees to deliver the best customer service.
EMP004	Subject to compliance with applicable personnel requirements, rotate middle and executive level leaders among channels to expand their under-

Action #	Description of Action
	standing of how the organization satisfies the mission.
EMP006	Publish a booklet annually of OSFA achievements based on input from our customers and partners.
EMP007	Implement first class program management by: ❖ Identifying potential issues and ensuring decisive and timely resolution; ❖ Establishing process cycles that ensure cycles are properly integrated; ❖ Identifying customer needs and incorporating them into the program processes; and ❖ Continuously assessing programs, evaluating current activities, and examining the impact of changes to maximize customer satisfaction.
EMP008	Give awards to employees and teams who take steps that dramatically move OSFA toward a PBO by: ❖ Reinforcing OSFA values; ❖ Encouraging desirable behaviors that OSFA and their customers value; ❖ Rewarding achieving clearly defined outcomes rather than following procedures; ❖ Encouraging risk taking and experimentation; ❖ Motivating employees to want to do a good job; ❖ Recognizing teams as well as individuals; ❖ Recognizing that many employees are not motivated solely by monetary awards; ❖ Allowing employees to define and receive the incentives and rewards they value; ❖ Making a variety of awards possible for all employees rather than a limited number available to only a select few; ❖ Making awards fast, flexible, and simple to use so that managers can reward employees creatively and in a timely manner; ❖ Celebrating small and large accomplishments; ❖ Encouraging employees to excel in their areas of expertise by OSFA "University" conferring master teacher status on employees; and

Action #	Description of Action
	❖ Encouraging managers to reward employees based on internal and external customer feedback.
EMP009	Create the OSFA "University," based on best in business corporate universities such as the Disney University, Motorola University, Bank of Montreal Institute for Learning, and the Tennessee Valley Authority's TVA University.
EMP010	Provide quality education at OSFA "University" in partnership with postsecondary institutions, consultants, and others.
EMP011	Offer competency-based training for all job classifications at OSFA "University." Include specialized leadership training, mandatory for all managers. Promote leadership by encouraging all employees to participate in the leadership training.
EMP012	Create a skills database modeled on best in business skills assessment at OSFA "University."
EMP013	Through OSFA "University," give each employee a skills assessment and updated Individual Development Plan (IDP) at least annually. Compare the Skills Database required competencies with the employee's skills.
EMP014	Make all core and job-related training at OSFA "University" competency-based, e.g., the employee can demonstrate proficiency in the content.
EMP015	Incorporate employee feedback in developing all OSFA "University" curricula, including defining competencies, delivery methods, and scheduling.
EMP016	Have OSFA "University" establish an exchange and shadowing program between OSFA and partner organizations to promote learning.
EMP017	Create a position at OSFA "University" for a "School Official in Residence." Rotate among top performing postsecondary institutions. Use personnel from the Financial Aid, Business, and Data Processing offices.
EMP018	Have OSFA "University" maintain a directory of mentors through the skills database. Include OSFA employees, and retirees who demonstrate mastery in their skill area.
EMP019	Encourage the exchange of information across regional and divisional lines through OSFA "University."

Action #	Description of Action
EMP020	Give employees access to all of the information they need to answer customer questions and resolve customer issues in one contact.
EMP021	Give front line employees the authority and accountability to satisfy employee service needs.
EMP022	Ask employees what they need (hardware, software, and other equipment) to serve customers.
EMP025	Give each employee a defined career ladder or career path to motivate each employee to succeed.
EMP026	Create a "technical" career path to advance highly skilled employees who do not want to enter management.
EMP027	Use the skills database to fill vacancies with OSFA employees.
EMP028	Encourage risk taking (within government ethics and legal guidelines) that is done to improve customer service. Acknowledge mistakes as a part of the learning process.
EMP029	Move toward self-managed work teams who control their resources, including staffing. Empower employees to make decisions. When possible, implement a policy of "you write it, you sign it" to encourage ownership.
EMP030	Measure individual and team performance against goals and objectives. Link rewards and consequences to employee actions.
EMP031	Let teams search for the best deals in the marketplace. Build in consequences for overspending to increase accountability.
EMP032	Develop a continuous feedback system for collecting suggestions, complaints, and compliments from customers, partners, and employees.
EMP033	Create an "Employee Ideas Advocate." Get employees to submit ideas for improving service, reducing costs, and improving customer satisfaction. Employees can use the system to track the response of OSFA leadership to their ideas.
EMP034	Each OSFA employee from the COO down will spend time on the front line serving customers and soliciting customer feedback.
EMP035	Encourage managers to conduct exit interviews with employees leaving OSFA to find out why employees leave OSFA.

Action #	Description of Action
EMP036	Establish a system to provide personalized feedback to employees regarding meeting the needs of the customer.
EMP037	Continue the listening sessions with customers and employees which were started by the task force. Get OSFA managers at all levels to read the listening session notes to become more aware of employee and customer issues.
EMP038	Provide a healthy and safe workplace that reinforces the value of OSFA employees.
EMP039	Meet the needs of disabled OSFA employees.
EMP042	Get managers to use flexible workplace and flexible schedule arrangements as workload management tools.
EMP044	Provide employees easy access to OSFA and ED information through a single Intranet entry point.
EMP045	Get OSFA employees involved in the ED volunteer incentive program in which time spent volunteering is matched in annual/ administrative leave in accordance with standards set by ED.
EMP046	Celebrate employee accomplishments and also monumental service anniversaries.
EMP047	Look into low cost day care opportunities for employees. Consider a drop-in day care on days school is closed but the agency is open.
EMP048	Work with the Employee Assistance Program (EAP) to increase the outreach of stress-management support mechanisms.
EMP050	Provide OSFA employees with career transition counselors to assist non-retirement eligible employees leaving OSFA in finding other jobs. Career transition counselors would work closely with the Training and Development Center (TDC) to partner with other federal agencies, state and local governments, and private industry to place these employees in other jobs.
EMP051	Get more students to work in OSFA offices when school is out.

◆ *Recommendations that may require regulatory and/or policy decisions*

These recommendations are being forwarded to the Secretary for consideration

Action #	Description of Action
STU003	Subject to OGC concurrence, partner with organizations that interact with the general population, like the Postal Service, the Department of Motor Vehicles (DMV), and fast food restaurants, to help get our word out.
STU006	Subject to OGC concurrence, get community organizations, cultural organizations, lenders, guaranty agencies, and other businesses to disseminate student aid information to their customers.
STU019	Redesign the FAFSA and loan consolidation applications to make them simple and user- friendly.
STU020	Partner with tax preparers and tax software developers to create products that put Form 1040 tax data into FAFSA on the Web.
STU026	Subject to appropriate disclosures and privacy and security measures, work with the Internal Revenue Service (IRS) to effectively implement matching ED data with IRS data.
STU035	Collaborate with students, schools and financial institutions to revise the Student Bill of Rights and Responsibilities to be distributed with every OSFA publication. Among other things, the Student Bill of Rights and Responsibilities will affirm the timely, courteous, knowledgeable, and fair treatment students can expect to receive from OSFA and its partners.
STU042	Give Title IV federal loan borrowers flexible and practical payment options, including debit cards, electronic debit, and credit card payments.
STU043	Use existing authority to cut interest rates for Title IV federal loan borrowers who consistently pay on time or who use repayment methods that reduce OSFA's costs.
STU044	Explore payment options that could eliminate defaults, like allowing Title IV federal loan borrowers to repay their loans through salary withholdings.

Action #	Description of Action
STU047	Work with employees of the Debt Collection Service (DCS) operations to find ways to make it more effective, less costly, and customer service oriented.
STU048	Give Direct Loan borrowers a choice of how to apply overpayments to Direct Loan accounts.
STU050	Process forbearance and deferment requests like the best in business do.
STU054	In collaboration with the Department, give the Office of Student Financial Assistance a new name that preserves the tradition of helping to put America through school and celebrates the new dedication to service, partnership, and financial responsibility.
SCH013	In collaboration with the Department, use consistent sources (e.g., web site, press releases, "Dear Partner" letters) to release information promptly about progress toward the PBO, changes to products, and other information.
SCH025	Focus OSFA program reviews on outcome, not process.
SCH027	Develop other means of student aid delivery for schools with good educational programs who lack the ability to acceptably administer federal student aid.
SCH028	Continue to assess oversight penalties appropriate to their impact on federal dollars.
SCH029	Expand the Quality Assurance (QA) program and the experimental site initiatives.
SCH030	Show each institution how its performance compares with similar institutions.
SCH031	Involve schools in determining how OSFA conducts oversight activities.
SCH035	Redouble efforts to work with state licensing and accrediting agencies to develop improved standards to participate in Title IV programs.
SCH036	Develop an OSFA rapid response team of student financial aid program experts working with accrediting agencies, state licensing agencies, GAs, OGC, and the OIG, to quickly stop serious misconduct, administrative problems, or fraud.
SCH039	Create a regulatory reform team that includes staff from schools.

Action #	Description of Action:
SCH040	Propose that prescriptive regulations be changed to outcome-based.
SCH041	Perform cost/benefit and impact analysis before regulations are proposed.
SCH043	Hold a monthly "regulation most in need of improvement" contest, eliminate or redo "winning" regulations.
SCH044	Simplify the Direct Loan disbursement and reconciliation processes.
SCH063	Work with the OIG to develop acceptable uses of professional judgement.
SCH064	Encourage schools to use professional judgement to change students' estimated family contribution. Provide guidance in making these changes when schools ask for it.
PAR002	Work with partners to streamline and develop regulations that improve service to students.
PAR011	Build on current initiatives to better use program and financial audits to reduce reliance on program reviews.
PAR012	Improve compliance by expanding the use of oversight staff to do technical assistance and training.
PAR014	Work with GAs to coordinate review of lenders resulting in single, coordinated, program reviews.
PAR016	Develop an awards program for partners in recognition of excellence and positive accomplishments in the administration of federal student aid programs.
PAR017	Create a regulatory reform team that includes ED staff, partners, and other customers.
PAR018	Perform cost/benefit and impact analysis before regulations are proposed.
PAR020	Streamline the claim review regulations so that lenders are measured on their overall default prevention and collection efforts.
PAR021	Hold a monthly "regulation most in need of improvement" contest, and eliminate or redo "winning" regulations.
PAR039	Include all loan consolidation forms on the ed.gov web site. Allow electronic submission of Direct Loan consolidation forms. Update the current version of the loan consolidation application on the ed.gov web site to the latest version.

◆ *Recommendations that may require legislative change*

These recommendations are being referred to the Secretary for consideration.

Action #	Description of Action
STU046	Recommend to the Secretary that he seek legislation that would allow borrowers who attended schools that closed prior to 1986 to be eligible to have their loans discharged.
STU049	Offer a voluntary tax refund offset for borrowers in addition to their regular monthly payments.
SCH024	Help schools to develop outcome-based performance plans. These plans will be subject to OSFA approval.
SCH026	Provide incentives to schools who demonstrate exceptional performance, e.g., lessen certain reporting requirements, including frequency of audits.
SCH037	Eliminate unnecessary regulations through a reform effort based on guiding principles, performance standards, common sense, and trust.
SCH038	Propose that all regulations be developed in a spirit of partnership and trust. Continually validate that trust.
SCH042	Set a date for regulatory changes (e.g., July 1) for specific segments to the extent possible.
SCH054	Ask affected schools for their preference on regulatory proposals. Identify the administrative position of the respondent; inform schools of the results. Consider use of the web for receiving comments.
SCH055	In collaboration with the Department, involve schools and test ideas before issuing "Dear Colleague"and "Dear Partner" letters or other guidance.
SCH068	Recommend to the Secretary an expansion of the QA awards program to give awards to schools who demonstrate excellence and positive accomplishments in the administration of student financial aid.

Action #	Description of Action
PAR013	Provide incentives to partners who demonstrate exceptional performance, e.g., lessen certain reporting requirements, including frequency of audits.
PAR019	Set a date for regulatory changes (e.g., July 1) for specific customer segments to the extent possible.
PAR049	Give state agencies the option of assigning to ED the tracking of Paul Douglas Scholarship recipients and collecting repayment of the Scholarship if the teaching requirements are not met and the scholarship turns into a loan.
EMP005	Encourage OSFA employees to pursue higher education. Reimburse tuition costs for courses/ degree credits.
EMP023	To ensure a productive workforce: ❖ Explore ideas for attracting and hiring qualified candidates; ❖ Use the probationary period as it was intended to be used — to assess the potential of the person hired; and ❖ While ensuring due process and preventing arbitrary and capricious actions against individuals, examine ways to streamline the removal processes for employees and managers who consistently demonstrate an inability or unwillingness to perform.
EMP024	Provide compensation appropriate to employees' duties, responsibilities, and levels of accountability. Get the authority to use expanded personnel flexibilities that could include pay banding, flexible recruiting, and streamlined processes for dealing with poor performers.
EMP040	Make it easy for employees to pursue postsecondary education by letting them work flexible schedules. Consider eliminating core hour restrictions.
EMP041	Let employees select from a menu of non-salary benefits.

Action #	Description of Action
EMP043	Abolish time sheets in keeping with a culture of trust. Implement fully electronic exception reporting in lieu of time sheets.
EMP049	Request early out and buy-out authority as a soft landing for employees close to retirement who do not want to continue working in the PBO.

APPENDIX B:

The Role of the OSFA Customer Service Task Force

On the task force we worked very hard, but we also had some fun along the way. In this section we provide background information on the Office of Student Financial Assistance (OSFA) Customer Service Task Force, a brief look at how we operated, and a glimpse of what it was like to be a charter task force member of the first-ever federal Performance-Based Organization (PBO).

◆ *The First Step in Creating a PBO of Tomorrow*

Chief Operating Officer Greg Woods created the OSFA Customer Service Task Force as one of several crucial steps in OSFA's transformation to a PBO. Mr. Woods sent out a call for volunteers and invited all OSFA employees from across the nation to apply. The task force convened in mid-February 1999. Our mission was to develop a bold, comprehensive, and innovative set of recommendations that use best in business practices for increasing customer satisfaction, increasing employee satisfaction, and reducing unit costs. A critical component of this effort was listening to the expressed wants and needs of students, parents, business partners, and employees.

Chief Operating Officer Greg Woods created the OSFA Customer Service Task Force as one of several crucial steps in OSFA's transformation to a PBO.

We faced the formidable challenge of forming a high-performance team from a diverse group of OSFA employee volunteers. On February 17, 1999, 48 of us with diverse expertise from all OSFA service areas came together for the first "all hands" task force meeting.

There were 42 OSFA employees: 24 of us came from OSFA Headquarters, 18 were from regional offices throughout the country, and of the 42, five were union-appointed members. Six members represented OSFA contractors: ACS/AFSA, Diversified Collection Services, Inc., EDS, and NCS.

We received support from JBL & Associates, Andersen Consulting, and the Public Strategies Group (PSG).

◆ *Creating a PBO Think Tank*

During our three-day orientation, we established certain rules of engagement for the duration of the project:

> *"It is OK; this is how we learn."*
>
> *"Tell the truth – admit mistakes, goofs, and 'just didn't works'."*
>
> *" 'Clean up' the mistakes."*
>
> *"Try not to do that again – try something new."*
>
> And, most importantly, *"What did we learn from the mistake?"*

Task force leadership also advised us, "There are no titles or grade distinctions on this task force; all of these things are to be checked at the door." In that spirit, we decided to transform ourselves into a "mini PBO" at work. We started by:

- Selecting the team(s) on which we wanted to participate;
- Selecting our own team leaders; and
- Operating as self-directed teams.

"In the PBO, we have an opportunity to build an organization that will rival the best in business...Customers hold government to the same standards as private business, and those standards are high."
-Greg Woods
Chief Operating Officer

To show his support, Mr. Woods met with us during our three-day orientation. According to Mr. Woods, there are two types of people in OSFA: people who support customers and those who support people who support customers. Mr. Woods also gave us a charter: "Be bold, be brave!" He continued, "In the PBO, we have an opportunity to build an organization that will rival the best in business...Customers hold government to the same standards as private business, and those standards are high."

After the three-day orientation filled with inspirational readings, guest speakers, brainstorming, and planning, we rolled up our sleeves and went to work – listening to OSFA customers, partners, and employees.

◆ *Consider the Distinct Needs of Customers, Partners, and Employees*

One of our preliminary tasks was to identify the different groups, or "segments," of OSFA customers and stakeholders, and then consider the distinct needs of those segments.

We identified the following customer segments, each with distinct, but not necessarily mutually exclusive, needs:

Students

Borrowers

Schools

Partners

OSFA Employees

After identifying these five segments, we divided ourselves into five teams charged with determining the needs of each segment.

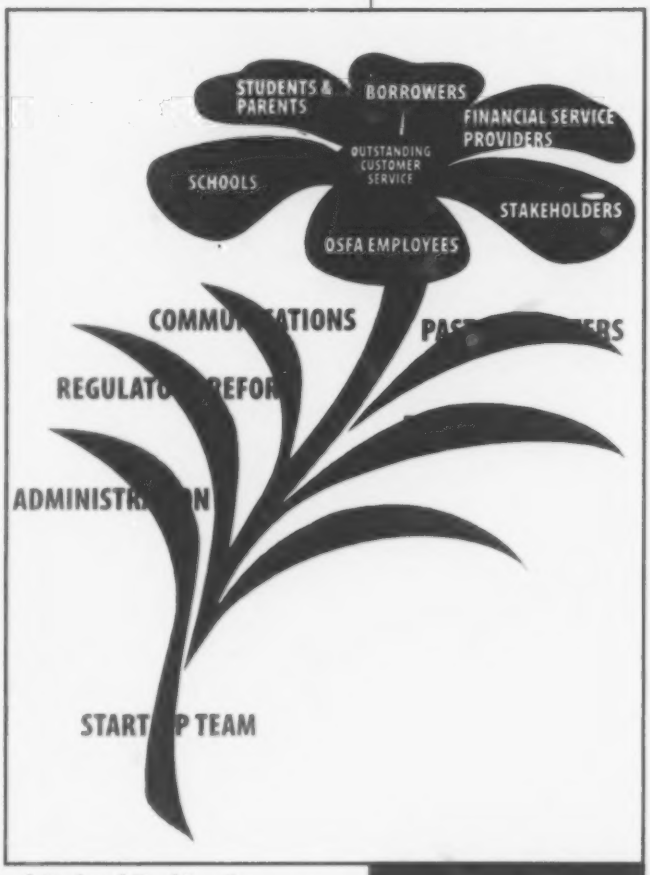

Figure 19

The Customer Service Task Force organized itself into teams to complete its mission.

The Student Team solicited feedback on student issues that arise prior to enrolling in a postsecondary program and student aid issues associated with the time the student is in school.

The Borrower Team dealt with borrower issues that concern obtaining and repaying student loans, such as Federal Family Education Loans, Federal Direct Loans, and Federal Perkins Loans.

The School Team talked to schools about issues related to administering the federal student aid programs on campus and the "partnership" with OSFA.

The Partner Team listened to the concerns of OSFA partners, such as lenders, secondary markets, guarantors, state agencies, community organizations, and contractors, as well as stakeholders.

The Employee Team listened to the issues of concern to OSFA employees from headquarters and regional offices.

In our efforts to get feedback, we asked three questions:

"What works?"

"What doesn't work?"

"What would you do differently?"

State	Sessions	Number of Participants
Alabama	6	30
California	14	114
Colorado	10	211
D.C.	52	217
Georgia	14	220
Iowa	10	89
Illinois	18	88
Kansas	4	35
Kentucky	2	10
Massachusetts	4	18
Maryland	10	74
Missouri	3	36
Montana	1	5
New York	23	177
Pennsylvania	9	29
Puerto Rico	4	60
South Carolina	8	111
Tennessee	2	196
Texas	8	75
Virginia	6	60
Washington	10	59
TOTALS	218	1,914

Figure 20

The Customer Service Task Force listened to OSFA's customers.

To obtain this information, we conducted over 200 listening sessions across the country to hear concerns and suggestions from thousands of people touched by the Federal Student Aid Programs.

The listening sessions were critical to the success of our mission. Part of the process entailed capturing the "what works" from all customer segments. *Something* must be working right. After all, OSFA administers programs that distribute over 50 billion dollars in federal student aid each year. From the feedback we received, it became evident that OSFA would be building from a strong foundation of good work.

Figure 20 provides information about the listening sessions we conducted.

◆ *Communicating with the Outside World*

We wanted to reach the widest audience possible to capture as many comments as we could. In addition, we wanted everyone to know what we were hearing, and what we were doing about what we heard. We wanted a completely open process with the greatest possibility of involvement by all interested players.

To accomplish this, we knew that we would need to leverage technology by using the Internet as a means of communication. With that in mind, we formed a sub-team called the Communications Team.

The Communications Team was responsible for informing OSFA customers, employees, and partners about the mission of the task force. The communications team developed and maintained the OSFA Customer Service Task Force web site <http://www.ed.gov/cstf> and posted regular updates for the outside world.

The Customer Service Task Force web site also asked visitors for feedback and suggestions, and hundreds of people sent us comments. Through all of these efforts, we received over 8,000 comments and suggestions, and used this input as the basis for the recommendations contained in this report.

Figure 21

The Customer Service Task Force web site provided a central focus for collecting customer feedback.

◆ *Task Force Members Speak Out*

Serving on the Customer Service Task Force was an incredible experience. If the task force is representative of what life will be like in the PBO, OSFA will be a great place to work. Here's what some of our task force members had to say about being on the task force, what they learned, and their hopes for OSFA:

> *"Stephen Blair always managed to make us (the entire task force) laugh even it we didn't want to — we may have been stressed, anxious, or just plain tired, so his comic relief was truly appreciated. That is memorable to me. Dr. Joe, who was on our Partners team, would stop by to tell of one of his corny Texas jokes to interject humor in the midst of serious work. The funny interlude was just the shot of adrenaline we needed."*
>
> *– Deborah Brown*

> *"For me, the most amazing aspect of being on the task force was to experience first-hand how the commitment, determination, and enthusiasm of forty-eight people can converge into a shared goal. It was powerful."*
>
> *– Melissa Cantrell*

> *"I learned the concept of having the courage to take risks if one wants to get results to grow, and to change. One has to start somewhere and taking a risk is certainly a good step. Just do it."*
>
> *– Rogelio Carvallo*

"Being a member of the task force has been a uniquely satisfying experience. What has impressed me the most has been the dedication, hard work, and enthusiasm of every member of the task force. I strongly believe this never would have been the case but for the dynamic leadership of our director, Stephen Blair. Moreover, the message that came through patently clear in every listening session conducted and in every Internet quote received was that we really need to make changes in how we operate, and we need to do it now!"

– Pat Edelson

"I learned that many of our customers have great ideas about how to improve the delivery of federal student aid, but are often unsure how to communicate those ideas to ED. They assume that our organization is too large and complex to respond to an individual suggestion for improvement. In most instances, they are correct."

– Adam Essex

"If I'm confused about this place, its programs, and processes (and I work here), just think how confusing it must be for someone (like a young potential student or parent) who is just entering the system."

– Barbara Framer

"Teams really can work. A team that's working together and focused on a common goal, where members don't bring their own personal agendas to the table and don't want to go crawl off and hide, 'Just leave me alone and let me do my thing'. If you can get beyond that, you can really accomplish a lot more and you're not stopped by one person not being there one day or something...everything can keep going and you work a lot faster."

– Rich Galloway

"I would like to see the task force provide more far-reaching customer service to the public. The Department does a great job, but I think that because of the public's lack of awareness about the different types of grants, loans, and services we provide, they miss opportunities to continue their education and improve their quality of life. I would like to see the

Customer Service Task Force disseminate that information and have a feedback mechanism in place where we can continue to help the public we are here to serve."

– Lana Gourdine

"There were several spontaneous moments that occurred during our weekly all-hands meetings. Although I don't remember all of the details, I do remember lots of laughing, some dancing, some hugging ..."

– Terry Karpinski

"The greatest insight I've had as a result of my experiences here is that people in government can think outside the box."

– Natanya Levioff

"I think the greatest accomplishment thus far was that it raised the level of awareness on the part of both employees in the higher education community as to the implications of customer service in the delivery of student aid and how much we need to do and how much it is sorely needed and I think that there is a greater awareness of that as a result of the task force existence than there would have otherwise been. Further, we did what we were asked to do, we did it on time, and we did it within budget!"

– Joe McCormick

"The one lesson that I would take back to my office to share with my coworkers would be that change is inevitable. That it is necessary and that we are agents to make it happen."

– Phil Moody

"One thing I heard was that 'people who come from the private sector do not assume that the world is bad. Working with the Department you feel there is always the suspicion that we are up to something'. They think of us a little differently than their colleagues in the private sector. Maybe we ought to try to change that, because we're all essentially after the same thing, and that is to deliver a good product to the students. I detected a real feeling from people in the community

that the task force has made a difference, and they're thinking about OSFA differently than they were six months ago. I hope we somehow leverage that thinking and keep that feeling going. What that means is that we're going to have to continue the work of the task force in some fashion after July 1."

– Tom Pestka

"I'd like to see us upgrade the educational level of all ED employees. Back to school — a college education program for all. In-house customers (employees) need to have the ability to continuously upgrade their intellectual abilities, as well as our external (students and educators) customers, in order to keep the pace balanced."

– Frank Phillips, Jr.

"I think by bringing to fruition all the recommendations related to employee accountability, the task force can improve employee satisfaction. The key is to not just get stuck in the processes, but keep your eye on what the end result is; hence 'performance-based'. I think everything should be performance-based. So, I think in the move towards making our jobs in OSFA performance-based, that things will get better."

– Arva Reeves

"The key to a lot of the changes we're incorporating is having people work in self-directed teams, and not just being under that label, but to actually do the work and not pay attention to one another as to what our grade level is or if we're management, or any other label, but actually a working team. Sometimes decisions take a little longer, but the results you get are a lot more powerful and a lot more feasible than in the old hierarchy. There's more buy-in."

– Lori Rehfeldt

"Given the new PBO status and the presence of a COO who understands and intends to implement an effective organization based on customer service and employee empowerment, we really <u>can</u> expect improvements that will provide us the overall opportunity of improving our services and our employee opportunities. In other words, this is not just another

effort that will go nowhere and not result in change and improvement."

– Rick Reinhardt

"I remember the first days when we came together as a task force. There was an incredible amount of excitement in the air. I felt a great deal of anticipation and exhilaration sitting in a room with OSFA employees from across the country who were about to embark on a journey to change the status quo."

– Dave Rives

"When we asked 'What works?' and the answer was 'Nothing', that's what sticks in my mind the most. Not because it's most true, but because it was the most extreme answer and whenever I think of OSFA and the challenge we face, I think of that comment."

– Jennifer Ryder

"I would really like the task force to help employees see that they are needed by the students and young people that we serve. In order to offer young people hope for the future, we need to be there for them — not only on the job — but with our positive presence within our communities. There are so many young people in our communities and we must all believe that we can help them feel better about themselves and encourage them to have hope for a brighter future. If everyone is not college material, it doesn't mean that they have less worth to our society. Help young people believe in themselves and in the values of others."

– Beverly Stern

"It was interesting to see how the negative attitudes about the CSTF's mission changed. Customers, employees, and partners that didn't believe OSFA listened to, heard, or cared about their ideas could actually see their ideas being recommended for implementation. Unfortunately, the CSTF activities are only the first step, on a very long road, to earning back the trust and respect of the financial aid community."

– Milton Thomas

"The employees of the organization become more unified and more focused on what we're trying to do. In

my current situation, the mission is printed on my mouse pad, and I still can't tell you what it is even though my mouse sits on it everyday. I would like for the accomplishments of the whole organization to be so strong that people would come back and say, 'Gee, those guys did a really good job. They had good ideas.' I hope there are things that people were able to pick up and actually go with. I do not want us to be remembered as another group that came here and spent six months and did nothing."

– Jerry Wallace

"I volunteered for this task force because Title IV aid put me through school, and I think most of us don't spend enough time thinking about the people whose lives we affect. We have a huge impact on individuals and on the nation as a whole. I find the notion that we should be anything but performance-based a little absurd."

– Fred Wynn

APPENDIX C:
List of Acronyms

ACE	American Council on Education
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIO	Chief Information Officer
CO	Contracting Officer
COO	Chief Operating Officer
COTR	Contracting Officer's Technical Representative
CSR	Customer Service Representative
CST	Customer Service Team
CSTF	Customer Service Task Force
DCL	Direct Consolidation Loan
DL	Direct Loan
DCS	Debt Collection Service
DMV	Department of Motor Vehicles
DOD	Department of Defense
DOL	Department of Labor
DUNS	Dun and Bradstreet
DVA	Department of Veterans Affairs
EAP	Employee Assistance Program
EDS	Electronic Data Systems
ED	Education Department
EPA	Environmental Protection Agency
FAA	Financial Aid Administrator
FAO	Financial Aid Officer
FAFSA	Free Application for Federal Student Aid
FFEL	Federal Family Education Loan
GA	Guaranty Agency
GAO	General Accounting Office
GEAR-UP	Gaining Early Awareness and Readiness for Undergraduate Programs
GSA	General Services Administration
HHS	Health and Human Services
ICSA	International Customer Service Association
IDP	Individual Development Plan

IFAP	Information for Financial Aid Professionals
IRS	Internal Revenue Service
ISP	Internet Service Provider
IVRU	Integrated Voice Response Unit
LEP	Limited English Proficient
NASFAA	National Association of Student Financial Aid Administrators
NPR	National Partnership for Reinventing Government
NSLC	National Student Loan Clearinghouse
NSLDS	National Student Loan Data System
OBEMLA	Office of Bilingual Education and Minority Languages Affairs
OESE	Office of Elementary and Secondary Education
OGC	Office of the General Counsel
OIG	Office of Inspector General
OSFA	Office of Student Financial Assistance
OSHA	Occupational and Safety Health Administration
OVAE	Office of Vocational and Adult Education
PBO	Performance-Based Organization
PCT	Partnership Council Teams
PHEAA	Pennsylvania Higher Education Assistance Agency
PIN	Personal Identification Number
PLUS	Parent Loans for Undergraduate Students
PSG	Public Strategies Group
PTA	Parent Teacher Association
QA	Quality Assurance
RFP	Request For Proposal
RFI	Request For Information
SAR	Student Aid Report
SBA	Small Business Administration
SSA	Social Security Administration
TCP	Team Certification Program
TDC	Training and Development Center
TTY	Teletype writer for the deaf
TVA	Tennessee Valley Authority
VA	Veterans Administration
WWW	World Wide Web

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ACS/AFSA
Diversified Collection Services
EDS
NCS
Three Sisters Art & Design, Co.

❖ *Special thanks to Melissa Cantrell of NCS for leading the development of this report.*

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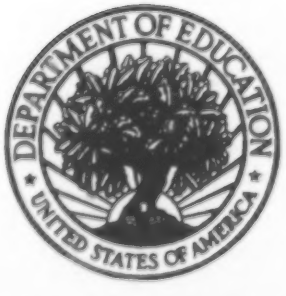

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